

**As Re-reported by the House State and Local Government  
Committee**

**130th General Assembly  
Regular Session  
2013-2014**

**Sub. 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, 5709.77, 5709.78, 1  
and 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 creating the 7  
district, and to permit such owners, under 8  
specific conditions, to exclude their parcels from 9  
the incentive district by submitting a written 10  
response. 11

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

**Section 1.** That sections 5709.40, 5709.73, 5709.77, 5709.78, 12  
and 5709.911 of the Revised Code be amended to read as follows: 13

**Sec. 5709.40.** (A) As used in this section: 14

(1) "Blighted area" and "impacted city" have the same 15  
meanings as in section 1728.01 of the Revised Code. 16

(2) "Business day" means a day of the week excluding 17  
Saturday, Sunday, and a legal holiday as defined under section 18  
1.14 of the Revised Code. 19

(3) "Housing renovation" means a project carried out for 20  
residential purposes. 21

(4) "Improvement" means the increase in the assessed value of 22  
any real property that would first appear on the tax list and 23  
duplicate of real and public utility property after the effective 24  
date of an ordinance adopted under this section were it not for 25  
the exemption granted by that ordinance. 26

(5) "Incentive district" means an area of not more than three 27  
hundred acres in size enclosed by a continuous boundary in which a 28  
project is being, or will be, undertaken and having one or more of 29  
the following distress characteristics: 30

(a) At least fifty-one per cent of the residents of the 31  
district have incomes of less than eighty per cent of the median 32  
income of residents of the political subdivision in which the 33  
district is located, as determined in the same manner specified 34  
under section 119(b) of the "Housing and Community Development Act 35  
of 1974," 88 Stat. 633, 42 U.S.C. 5318, as amended; 36

(b) The average rate of unemployment in the district during 37  
the most recent twelve-month period for which data are available 38  
is equal to at least one hundred fifty per cent of the average 39  
rate of unemployment for this state for the same period. 40

(c) At least twenty per cent of the people residing in the 41  
district live at or below the poverty level as defined in the 42  
federal Housing and Community Development Act of 1974, 42 U.S.C. 43  
5301, as amended, and regulations adopted pursuant to that act. 44

(d) The district is a blighted area. 45

(e) The district is in a situational distress area as 46

designated by the director of development services under division 47  
(F) of section 122.23 of the Revised Code. 48

(f) As certified by the engineer for the political 49  
subdivision, the public infrastructure serving the district is 50  
inadequate to meet the development needs of the district as 51  
evidenced by a written economic development plan or urban renewal 52  
plan for the district that has been adopted by the legislative 53  
authority of the subdivision. 54

(g) The district is comprised entirely of unimproved land 55  
that is located in a distressed area as defined in section 122.23 56  
of the Revised Code. 57

(6) "Overlay" means an area of not more than three hundred 58  
acres that is a square, or that is a rectangle having two longer 59  
sides that are not more than twice the length of the two shorter 60  
sides, that the legislative authority of a municipal corporation 61  
delineates on a map of a proposed incentive district. 62

(7) "Project" means development activities undertaken on one 63  
or more parcels, including, but not limited to, construction, 64  
expansion, and alteration of buildings or structures, demolition, 65  
remediation, and site development, and any building or structure 66  
that results from those activities. 67

~~(7)~~(8) "Public infrastructure improvement" includes, but is 68  
not limited to, public roads and highways; water and sewer lines; 69  
environmental remediation; land acquisition, including acquisition 70  
in aid of industry, commerce, distribution, or research; 71  
demolition, including demolition on private property when 72  
determined to be necessary for economic development purposes; 73  
stormwater and flood remediation projects, including such projects 74  
on private property when determined to be necessary for public 75  
health, safety, and welfare; the provision of gas, electric, and 76  
communications service facilities; and the enhancement of public 77

waterways through improvements that allow for greater public 78  
access. 79

(B) The legislative authority of a municipal corporation, by 80  
ordinance, may declare improvements to certain parcels of real 81  
property located in the municipal corporation to be a public 82  
purpose. Improvements with respect to a parcel that is used or to 83  
be used for residential purposes may be declared a public purpose 84  
under this division only if the parcel is located in a blighted 85  
area of an impacted city. For this purpose, "parcel that is used 86  
or to be used for residential purposes" means a parcel that, as 87  
improved, is used or to be used for purposes that would cause the 88  
tax commissioner to classify the parcel as residential property in 89  
accordance with rules adopted by the commissioner under section 90  
5713.041 of the Revised Code. Except with the approval under 91  
division (D) of this section of the board of education of each 92  
city, local, or exempted village school district within which the 93  
improvements are located, not more than seventy-five per cent of 94  
an improvement thus declared to be a public purpose may be 95  
exempted from real property taxation for a period of not more than 96  
ten years. The ordinance shall specify the percentage of the 97  
improvement to be exempted from taxation and the life of the 98  
exemption. 99

An ordinance adopted or amended under this division shall 100  
designate the specific public infrastructure improvements made, to 101  
be made, or in the process of being made by the municipal 102  
corporation that directly benefit, or that once made will directly 103  
benefit, the parcels for which improvements are declared to be a 104  
public purpose. The service payments provided for in section 105  
5709.42 of the Revised Code shall be used to finance the public 106  
infrastructure improvements designated in the ordinance, for the 107  
purpose described in division (D)(1) of this section or as 108  
provided in section 5709.43 of the Revised Code. 109

(C)(1) The legislative authority of a municipal corporation 110  
may adopt an ordinance creating an incentive district and 111  
declaring improvements to parcels within the district to be a 112  
public purpose and, except as provided in division ~~(F)~~(C)(2) of 113  
this section, exempt from taxation as provided in this section, 114  
but no legislative authority of a municipal corporation that has a 115  
population that exceeds twenty-five thousand, as shown by the most 116  
recent federal decennial census, shall adopt an ordinance that 117  
creates an incentive district if the sum of the taxable value of 118  
real property in the proposed district for the preceding tax year 119  
and the taxable value of all real property in the municipal 120  
corporation that would have been taxable in the preceding year 121  
were it not for the fact that the property was in an existing 122  
incentive district and therefore exempt from taxation exceeds 123  
twenty-five per cent of the taxable value of real property in the 124  
municipal corporation for the preceding tax year. The ordinance 125  
shall delineate the boundary of the proposed district and 126  
specifically identify each parcel within the district. A proposed 127  
district may not include any parcel that is or has been exempted 128  
from taxation under division (B) of this section or that is or has 129  
been within another district created under this division. An 130  
ordinance may create more than one such district, and more than 131  
one ordinance may be adopted under division (C)(1) of this 132  
section. 133

(2)(a) Not later than thirty days prior to adopting an 134  
ordinance under division (C)(1) of this section, if the municipal 135  
corporation intends to apply for exemptions from taxation under 136  
section 5709.911 of the Revised Code on behalf of owners of real 137  
property located within the proposed incentive district, the 138  
legislative authority of a the municipal corporation shall conduct 139  
a public hearing on the proposed ordinance. Not later than thirty 140  
days prior to the public hearing, the legislative authority shall 141  
give notice of the public hearing and the proposed ordinance by 142

first class mail to every real property owner whose property is 143  
located within the boundaries of the proposed incentive district 144  
that is the subject of the proposed ordinance. The notice shall 145  
include a map of the proposed incentive district on which the 146  
legislative authority of the municipal corporation shall have 147  
delineated an overlay. The notice shall inform the property owner 148  
of the owner's right to exclude the owner's property from the 149  
incentive district if the owner's entire parcel of property will 150  
not be located within the overlay, by submitting a written 151  
response in accordance with division (C)(2)(b) of this section. 152  
The notice also shall include information detailing the required 153  
contents of the response, the address to which the response may be 154  
mailed, and the deadline for submitting the response. 155

(b) Any owner of real property located within the boundaries 156  
of an incentive district proposed under division (C)(1) of this 157  
section whose entire parcel of property is not located within the 158  
overlay may exclude the property from the proposed incentive 159  
district by submitting a written response to the legislative 160  
authority of the municipal corporation not later than forty-five 161  
days after the postmark date on the notice required under division 162  
(C)(2)(a) of this section. The response shall be sent by first 163  
class mail or delivered in person at a public hearing held by the 164  
legislative authority under division (C)(2)(a) of this section. 165  
The response shall conform to any content requirements that may be 166  
established by the municipal corporation and included in the 167  
notice provided under division (C)(2)(a) of this section. In the 168  
response, property owners may identify a parcel by street address, 169  
by the manner in which it is identified in the ordinance, or by 170  
other means allowing the identity of the parcel to be ascertained. 171

(c) Before adopting an ordinance under division (C)(1) of 172  
this section, the legislative authority of a municipal corporation 173  
shall amend the ordinance to exclude any parcel for which a 174

written response has been submitted under division (C)(2)(b) of 175  
this section. A municipal corporation shall not apply for 176  
exemptions from taxation under section 5709.911 of the Revised 177  
Code for any parcel of property for which a written response has 178  
been submitted under division (C)(2)(b) of this section, and 179  
service payments may not be required from the owner of the parcel. 180  
Improvements to a parcel excluded from an incentive district under 181  
this division may be exempted from taxation under division (B) of 182  
this section pursuant to an ordinance adopted under that division 183  
or under any other section of the Revised Code under which the 184  
parcel qualifies. 185

(3)(a) An ordinance adopted under division (C)(1) of this 186  
section shall specify the life of the incentive district and the 187  
percentage of the improvements to be exempted, shall designate the 188  
public infrastructure improvements made, to be made, or in the 189  
process of being made, that benefit or serve, or, once made, will 190  
benefit or serve parcels in the district. The ordinance also shall 191  
identify one or more specific projects being, or to be, undertaken 192  
in the district that place additional demand on the public 193  
infrastructure improvements designated in the ordinance. The 194  
project identified may, but need not be, the project under 195  
division (C)(3)(b) of this section that places real property in 196  
use for commercial or industrial purposes. Except as otherwise 197  
permitted under that division, the service payments provided for 198  
in section 5709.42 of the Revised Code shall be used to finance 199  
the designated public infrastructure improvements, for the purpose 200  
described in division (D)(1) ~~or~~, (E), or (F) of this section, or 201  
as provided in section 5709.43 of the Revised Code. 202

An ordinance adopted under division (C)(1) of this section on 203  
or after March 30, 2006, shall not designate police or fire 204  
equipment as public infrastructure improvements, and no service 205  
payment provided for in section 5709.42 of the Revised Code and 206

received by the municipal corporation under the ordinance shall be 207  
used for police or fire equipment. 208

(b) An ordinance adopted under division (C)(1) of this 209  
section may authorize the use of service payments provided for in 210  
section 5709.42 of the Revised Code for the purpose of housing 211  
renovations within the incentive district, provided that the 212  
ordinance also designates public infrastructure improvements that 213  
benefit or serve the district, and that a project within the 214  
district places real property in use for commercial or industrial 215  
purposes. Service payments may be used to finance or support 216  
loans, deferred loans, and grants to persons for the purpose of 217  
housing renovations within the district. The ordinance shall 218  
designate the parcels within the district that are eligible for 219  
housing renovation. The ordinance shall state separately the 220  
amounts or the percentages of the expected aggregate service 221  
payments that are designated for each public infrastructure 222  
improvement and for the general purpose of housing renovations. 223

(4) Except with the approval of the board of education of 224  
each city, local, or exempted village school district within the 225  
territory of which the incentive district is or will be located, 226  
and subject to division (E) of this section, the life of an 227  
incentive district shall not exceed ten years, and the percentage 228  
of improvements to be exempted shall not exceed seventy-five per 229  
cent. With approval of the board of education, the life of a 230  
district may be not more than thirty years, and the percentage of 231  
improvements to be exempted may be not more than one hundred per 232  
cent. The approval of a board of education shall be obtained in 233  
the manner provided in division (D) of this section. 234

(D)(1) If the ordinance declaring improvements to a parcel to 235  
be a public purpose or creating an incentive district specifies 236  
that payments in lieu of taxes provided for in section 5709.42 of 237  
the Revised Code shall be paid to the city, local, or exempted 238



village, and joint vocational school district in which the parcel 239  
or incentive district is located in the amount of the taxes that 240  
would have been payable to the school district if the improvements 241  
had not been exempted from taxation, the percentage of the 242  
improvement that may be exempted from taxation may exceed 243  
seventy-five per cent, and the exemption may be granted for up to 244  
thirty years, without the approval of the board of education as 245  
otherwise required under division (D)(2) of this section. 246

(2) Improvements with respect to a parcel may be exempted 247  
from taxation under division (B) of this section, and improvements 248  
to parcels within an incentive district may be exempted from 249  
taxation under division (C) of this section, for up to ten years 250  
or, with the approval under this paragraph of the board of 251  
education of the city, local, or exempted village school district 252  
within which the parcel or district is located, for up to thirty 253  
years. The percentage of the improvement exempted from taxation 254  
may, with such approval, exceed seventy-five per cent, but shall 255  
not exceed one hundred per cent. Not later than forty-five 256  
business days prior to adopting an ordinance under this section 257  
declaring improvements to be a public purpose that is subject to 258  
approval by a board of education under this division, the 259  
legislative authority shall deliver to the board of education a 260  
notice stating its intent to adopt an ordinance making that 261  
declaration. The notice regarding improvements with respect to a 262  
parcel under division (B) of this section shall identify the 263  
parcels for which improvements are to be exempted from taxation, 264  
provide an estimate of the true value in money of the 265  
improvements, specify the period for which the improvements would 266  
be exempted from taxation and the percentage of the improvement 267  
that would be exempted, and indicate the date on which the 268  
legislative authority intends to adopt the ordinance. The notice 269  
regarding improvements to parcels within an incentive district 270  
under division (C) of this section shall delineate the boundaries 271

of the district, specifically identify each parcel within the 272  
district, identify each anticipated improvement in the district, 273  
provide an estimate of the true value in money of each such 274  
improvement, specify the life of the district and the percentage 275  
of improvements that would be exempted, and indicate the date on 276  
which the legislative authority intends to adopt the ordinance. 277  
The board of education, by resolution adopted by a majority of the 278  
board, may approve the exemption for the period or for the 279  
exemption percentage specified in the notice; may disapprove the 280  
exemption for the number of years in excess of ten, may disapprove 281  
the exemption for the percentage of the improvement to be exempted 282  
in excess of seventy-five per cent, or both; or may approve the 283  
exemption on the condition that the legislative authority and the 284  
board negotiate an agreement providing for compensation to the 285  
school district equal in value to a percentage of the amount of 286  
taxes exempted in the eleventh and subsequent years of the 287  
exemption period or, in the case of exemption percentages in 288  
excess of seventy-five per cent, compensation equal in value to a 289  
percentage of the taxes that would be payable on the portion of 290  
the improvement in excess of seventy-five per cent were that 291  
portion to be subject to taxation, or other mutually agreeable 292  
compensation. If an agreement is negotiated between the 293  
legislative authority and the board to compensate the school 294  
district for all or part of the taxes exempted, including 295  
agreements for payments in lieu of taxes under section 5709.42 of 296  
the Revised Code, the legislative authority shall compensate the 297  
joint vocational school district within which the parcel or 298  
district is located at the same rate and under the same terms 299  
received by the city, local, or exempted village school district. 300

(3) The board of education shall certify its resolution to 301  
the legislative authority not later than fourteen days prior to 302  
the date the legislative authority intends to adopt the ordinance 303  
as indicated in the notice. If the board of education and the 304

legislative authority negotiate a mutually acceptable compensation 305  
agreement, the ordinance may declare the improvements a public 306  
purpose for the number of years specified in the ordinance or, in 307  
the case of exemption percentages in excess of seventy-five per 308  
cent, for the exemption percentage specified in the ordinance. In 309  
either case, if the board and the legislative authority fail to 310  
negotiate a mutually acceptable compensation agreement, the 311  
ordinance may declare the improvements a public purpose for not 312  
more than ten years, and shall not exempt more than seventy-five 313  
per cent of the improvements from taxation. If the board fails to 314  
certify a resolution to the legislative authority within the time 315  
prescribed by this division, the legislative authority thereupon 316  
may adopt the ordinance and may declare the improvements a public 317  
purpose for up to thirty years, or, in the case of exemption 318  
percentages proposed in excess of seventy-five per cent, for the 319  
exemption percentage specified in the ordinance. The legislative 320  
authority may adopt the ordinance at any time after the board of 321  
education certifies its resolution approving the exemption to the 322  
legislative authority, or, if the board approves the exemption on 323  
the condition that a mutually acceptable compensation agreement be 324  
negotiated, at any time after the compensation agreement is agreed 325  
to by the board and the legislative authority. 326

(4) If a board of education has adopted a resolution waiving 327  
its right to approve exemptions from taxation under this section 328  
and the resolution remains in effect, approval of exemptions by 329  
the board is not required under division (D) of this section. If a 330  
board of education has adopted a resolution allowing a legislative 331  
authority to deliver the notice required under division (D) of 332  
this section fewer than forty-five business days prior to the 333  
legislative authority's adoption of the ordinance, the legislative 334  
authority shall deliver the notice to the board not later than the 335  
number of days prior to such adoption as prescribed by the board 336  
in its resolution. If a board of education adopts a resolution 337

waiving its right to approve agreements or shortening the 338  
notification period, the board shall certify a copy of the 339  
resolution to the legislative authority. If the board of education 340  
rescinds such a resolution, it shall certify notice of the 341  
rescission to the legislative authority. 342

(5) If the legislative authority is not required by division 343  
(D) of this section to notify the board of education of the 344  
legislative authority's intent to declare improvements to be a 345  
public purpose, the legislative authority shall comply with the 346  
notice requirements imposed under section 5709.83 of the Revised 347  
Code, unless the board has adopted a resolution under that section 348  
waiving its right to receive such a notice. 349

(E)(1) If a proposed ordinance under division (C)(1) of this 350  
section exempts improvements with respect to a parcel within an 351  
incentive district for more than ten years, or the percentage of 352  
the improvement exempted from taxation exceeds seventy-five per 353  
cent, not later than forty-five business days prior to adopting 354  
the ordinance the legislative authority of the municipal 355  
corporation shall deliver to the board of county commissioners of 356  
the county within which the incentive district will be located a 357  
notice that states its intent to adopt an ordinance creating an 358  
incentive district. The notice shall include a copy of the 359  
proposed ordinance, identify the parcels for which improvements 360  
are to be exempted from taxation, provide an estimate of the true 361  
value in money of the improvements, specify the period of time for 362  
which the improvements would be exempted from taxation, specify 363  
the percentage of the improvements that would be exempted from 364  
taxation, and indicate the date on which the legislative authority 365  
intends to adopt the ordinance. 366

(2) The board of county commissioners, by resolution adopted 367  
by a majority of the board, may object to the exemption for the 368  
number of years in excess of ten, may object to the exemption for 369

the percentage of the improvement to be exempted in excess of 370  
seventy-five per cent, or both. If the board of county 371  
commissioners objects, the board may negotiate a mutually 372  
acceptable compensation agreement with the legislative authority. 373  
In no case shall the compensation provided to the board exceed the 374  
property taxes forgone due to the exemption. If the board of 375  
county commissioners objects, and the board and legislative 376  
authority fail to negotiate a mutually acceptable compensation 377  
agreement, the ordinance adopted under division (C)(1) of this 378  
section shall provide to the board compensation in the eleventh 379  
and subsequent years of the exemption period equal in value to not 380  
more than fifty per cent of the taxes that would be payable to the 381  
county or, if the board's objection includes an objection to an 382  
exemption percentage in excess of seventy-five per cent, 383  
compensation equal in value to not more than fifty per cent of the 384  
taxes that would be payable to the county, on the portion of the 385  
improvement in excess of seventy-five per cent, were that portion 386  
to be subject to taxation. The board of county commissioners shall 387  
certify its resolution to the legislative authority not later than 388  
thirty days after receipt of the notice. 389

(3) If the board of county commissioners does not object or 390  
fails to certify its resolution objecting to an exemption within 391  
thirty days after receipt of the notice, the legislative authority 392  
may adopt the ordinance, and no compensation shall be provided to 393  
the board of county commissioners. If the board timely certifies 394  
its resolution objecting to the ordinance, the legislative 395  
authority may adopt the ordinance at any time after a mutually 396  
acceptable compensation agreement is agreed to by the board and 397  
the legislative authority, or, if no compensation agreement is 398  
negotiated, at any time after the legislative authority agrees in 399  
the proposed ordinance to provide compensation to the board of 400  
fifty per cent of the taxes that would be payable to the county in 401  
the eleventh and subsequent years of the exemption period or on 402

the portion of the improvement in excess of seventy-five per cent, 403  
were that portion to be subject to taxation. 404

(F) Service payments in lieu of taxes that are attributable 405  
to any amount by which the effective tax rate of either a renewal 406  
levy with an increase or a replacement levy exceeds the effective 407  
tax rate of the levy renewed or replaced, or that are attributable 408  
to an additional levy, for a levy authorized by the voters for any 409  
of the following purposes on or after January 1, 2006, and which 410  
are provided pursuant to an ordinance creating an incentive 411  
district under division (C)(1) of this section that is adopted on 412  
or after January 1, 2006, shall be distributed to the appropriate 413  
taxing authority as required under division (C) of section 5709.42 414  
of the Revised Code in an amount equal to the amount of taxes from 415  
that additional levy or from the increase in the effective tax 416  
rate of such renewal or replacement levy that would have been 417  
payable to that taxing authority from the following levies were it 418  
not for the exemption authorized under division (C) of this 419  
section: 420

(1) A tax levied under division (L) of section 5705.19 or 421  
section 5705.191 of the Revised Code for community mental 422  
retardation and developmental disabilities programs and services 423  
pursuant to Chapter 5126. of the Revised Code; 424

(2) A tax levied under division (Y) of section 5705.19 of the 425  
Revised Code for providing or maintaining senior citizens services 426  
or facilities; 427

(3) A tax levied under section 5705.22 of the Revised Code 428  
for county hospitals; 429

(4) A tax levied by a joint-county district or by a county 430  
under section 5705.19, 5705.191, or 5705.221 of the Revised Code 431  
for alcohol, drug addiction, and mental health services or 432  
facilities; 433

(5) A tax levied under section 5705.23 of the Revised Code	434
for library purposes;	435
(6) A tax levied under section 5705.24 of the Revised Code	436
for the support of children services and the placement and care of	437
children;	438
(7) A tax levied under division (Z) of section 5705.19 of the	439
Revised Code for the provision and maintenance of zoological park	440
services and facilities under section 307.76 of the Revised Code;	441
(8) A tax levied under section 511.27 or division (H) of	442
section 5705.19 of the Revised Code for the support of township	443
park districts;	444
(9) A tax levied under division (A), (F), or (H) of section	445
5705.19 of the Revised Code for parks and recreational purposes of	446
a joint recreation district organized pursuant to division (B) of	447
section 755.14 of the Revised Code;	448
(10) A tax levied under section 1545.20 or 1545.21 of the	449
Revised Code for park district purposes;	450
(11) A tax levied under section 5705.191 of the Revised Code	451
for the purpose of making appropriations for public assistance;	452
human or social services; public relief; public welfare; public	453
health and hospitalization; and support of general hospitals;	454
(12) A tax levied under section 3709.29 of the Revised Code	455
for a general health district program.	456
(G) An exemption from taxation granted under this section	457
commences with the tax year specified in the ordinance so long as	458
the year specified in the ordinance commences after the effective	459
date of the ordinance. If the ordinance specifies a year	460
commencing before the effective date of the resolution or	461
specifies no year whatsoever, the exemption commences with the tax	462
year in which an exempted improvement first appears on the tax	463

list and duplicate of real and public utility property and that 464  
commences after the effective date of the ordinance. In lieu of 465  
stating a specific year, the ordinance may provide that the 466  
exemption commences in the tax year in which the value of an 467  
improvement exceeds a specified amount or in which the 468  
construction of one or more improvements is completed, provided 469  
that such tax year commences after the effective date of the 470  
ordinance. With respect to the exemption of improvements to 471  
parcels under division (B) of this section, the ordinance may 472  
allow for the exemption to commence in different tax years on a 473  
parcel-by-parcel basis, with a separate exemption term specified 474  
for each parcel. 475

Except as otherwise provided in this division, the exemption 476  
ends on the date specified in the ordinance as the date the 477  
improvement ceases to be a public purpose or the incentive 478  
district expires, or ends on the date on which the public 479  
infrastructure improvements and housing renovations are paid in 480  
full from the municipal public improvement tax increment 481  
equivalent fund established under division (A) of section 5709.43 482  
of the Revised Code, whichever occurs first. The exemption of an 483  
improvement with respect to a parcel or within an incentive 484  
district may end on a later date, as specified in the ordinance, 485  
if the legislative authority and the board of education of the 486  
city, local, or exempted village school district within which the 487  
parcel or district is located have entered into a compensation 488  
agreement under section 5709.82 of the Revised Code with respect 489  
to the improvement, and the board of education has approved the 490  
term of the exemption under division (D)(2) of this section, but 491  
in no case shall the improvement be exempted from taxation for 492  
more than thirty years. Exemptions shall be claimed and allowed in 493  
the same manner as in the case of other real property exemptions. 494  
If an exemption status changes during a year, the procedure for 495  
the apportionment of the taxes for that year is the same as in the 496



case of other changes in tax exemption status during the year. 497

(H) Additional municipal financing of public infrastructure 498  
improvements and housing renovations may be provided by any 499  
methods that the municipal corporation may otherwise use for 500  
financing such improvements or renovations. If the municipal 501  
corporation issues bonds or notes to finance the public 502  
infrastructure improvements and housing renovations and pledges 503  
money from the municipal public improvement tax increment 504  
equivalent fund to pay the interest on and principal of the bonds 505  
or notes, the bonds or notes are not subject to Chapter 133. of 506  
the Revised Code. 507

(I) The municipal corporation, not later than fifteen days 508  
after the adoption of an ordinance under this section, shall 509  
submit to the director of development services a copy of the 510  
ordinance. On or before the thirty-first day of March of each 511  
year, the municipal corporation shall submit a status report to 512  
the director of development services. The report shall indicate, 513  
in the manner prescribed by the director, the progress of the 514  
project during each year that an exemption remains in effect, 515  
including a summary of the receipts from service payments in lieu 516  
of taxes; expenditures of money from the funds created under 517  
section 5709.43 of the Revised Code; a description of the public 518  
infrastructure improvements and housing renovations financed with 519  
such expenditures; and a quantitative summary of changes in 520  
employment and private investment resulting from each project. 521

(J) Nothing in this section shall be construed to prohibit a 522  
legislative authority from declaring to be a public purpose 523  
improvements with respect to more than one parcel. 524

(K) If a parcel is located in a new community district in 525  
which the new community authority imposes a community development 526  
charge on the basis of rentals received from leases of real 527  
property as described in division (L)(2) of section 349.01 of the 528

Revised Code, the parcel may not be exempted from taxation under 529  
this section. 530

**Sec. 5709.73.** (A) As used in this section and section 5709.74 531  
of the Revised Code: 532

(1) "Business day" means a day of the week excluding 533  
Saturday, Sunday, and a legal holiday as defined in section 1.14 534  
of the Revised Code. 535

(2) "Further improvements" or "improvements" means the 536  
increase in the assessed value of real property that would first 537  
appear on the tax list and duplicate of real and public utility 538  
property after the effective date of a resolution adopted under 539  
this section were it not for the exemption granted by that 540  
resolution. For purposes of division (B) of this section, 541  
"improvements" do not include any property used or to be used for 542  
residential purposes. For this purpose, "property that is used or 543  
to be used for residential purposes" means property that, as 544  
improved, is used or to be used for purposes that would cause the 545  
tax commissioner to classify the property as residential property 546  
in accordance with rules adopted by the commissioner under section 547  
5713.041 of the Revised Code. 548

(3) "Housing renovation" means a project carried out for 549  
residential purposes. 550

(4) "Incentive district" has the same meaning as in section 551  
5709.40 of the Revised Code, except that a blighted area is in the 552  
unincorporated area of a township. 553

(5) "Overlay" has the meaning defined in section 5709.40 of 554  
the Revised Code, except that the overlay is delineated by the 555  
board of township trustees. 556

(6) "Project" and "public infrastructure improvement" have 557  
the same meanings as in section 5709.40 of the Revised Code. 558

(B) A board of township trustees may, by unanimous vote, 559  
adopt a resolution that declares to be a public purpose any public 560  
infrastructure improvements made that are necessary for the 561  
development of certain parcels of land located in the 562  
unincorporated area of the township. Except with the approval 563  
under division (D) of this section of the board of education of 564  
each city, local, or exempted village school district within which 565  
the improvements are located, the resolution may exempt from real 566  
property taxation not more than seventy-five per cent of further 567  
improvements to a parcel of land that directly benefits from the 568  
public infrastructure improvements, for a period of not more than 569  
ten years. The resolution shall specify the percentage of the 570  
further improvements to be exempted and the life of the exemption. 571

(C)(1) A board of township trustees may adopt, by unanimous 572  
vote, a resolution creating an incentive district and declaring 573  
improvements to parcels within the district to be a public purpose 574  
and, except as provided in division ~~(F)~~(C)(2) of this section, 575  
exempt from taxation as provided in this section, but no board of 576  
township trustees of a township that has a population that exceeds 577  
twenty-five thousand, as shown by the most recent federal 578  
decennial census, shall adopt a resolution that creates an 579  
incentive district if the sum of the taxable value of real 580  
property in the proposed district for the preceding tax year and 581  
the taxable value of all real property in the township that would 582  
have been taxable in the preceding year were it not for the fact 583  
that the property was in an existing incentive district and 584  
therefore exempt from taxation exceeds twenty-five per cent of the 585  
taxable value of real property in the township for the preceding 586  
tax year. The district shall be located within the unincorporated 587  
area of the township and shall not include any territory that is 588  
included within a district created under division (B) of section 589  
5709.78 of the Revised Code. The resolution shall delineate the 590  
boundary of the proposed district and specifically identify each 591

parcel within the district. A proposed district may not include 592  
any parcel that is or has been exempted from taxation under 593  
division (B) of this section or that is or has been within another 594  
district created under this division. A resolution may create more 595  
than one such district, and more than one resolution may be 596  
adopted under division (C)(1) of this section. 597

(2)(a) Not later than thirty days prior to adopting a 598  
resolution under division (C)(1) of this section, if the township 599  
intends to apply for exemptions from taxation under section 600  
5709.911 of the Revised Code on behalf of owners of real property 601  
located within the proposed incentive district, the board shall 602  
conduct a public hearing on the proposed resolution. Not later 603  
than thirty days prior to the public hearing, the board shall give 604  
notice of the public hearing and the proposed resolution by first 605  
class mail to every real property owner whose property is located 606  
within the boundaries of the proposed incentive district that is 607  
the subject of the proposed resolution. The notice shall include a 608  
map of the proposed incentive district on which the board of 609  
township trustees shall have delineated an overlay. The notice 610  
shall inform the property owner of the owner's right to exclude 611  
the owner's property from the incentive district if the owner's 612  
entire parcel of property will not be located within the overlay, 613  
by submitting a written response in accordance with division 614  
(C)(2)(b) of this section. The notice also shall include 615  
information detailing the required contents of the response, the 616  
address to which the response may be mailed, and the deadline for 617  
submitting the response. 618

(b) Any owner of real property located within the boundaries 619  
of an incentive district proposed under division (C)(1) of this 620  
section whose entire parcel of property is not located within the 621  
overlay may exclude the property from the proposed incentive 622  
district by submitting a written response to the board not later 623

than forty-five days after the postmark date on the notice 624  
required under division (C)(2)(a) of this section. The response 625  
shall be sent by first class mail or delivered in person at a 626  
public hearing held by the board under division (C)(2)(a) of this 627  
section. The response shall conform to any content requirements 628  
that may be established by the board and included in the notice 629  
provided under division (C)(2)(a) of this section. In the 630  
response, property owners may identify a parcel by street address, 631  
by the manner in which it is identified in the resolution, or by 632  
other means allowing the identity of the parcel to be ascertained. 633

(c) Before adopting a resolution under division (C)(1) of 634  
this section, the board shall amend the resolution to exclude any 635  
parcel for which a written response has been submitted under 636  
division (C)(2)(b) of this section. A township shall not apply for 637  
exemptions from taxation under section 5709.911 of the Revised 638  
Code for any property for which a written response has been 639  
submitted under division (C)(2)(b) of this section, and service 640  
payments may not be required from the owner of the parcel. 641  
Improvements to a parcel excluded from an incentive district under 642  
this division may be exempted from taxation under division (B) of 643  
this section pursuant to an ordinance adopted under that division 644  
or under any other section of the Revised Code under which the 645  
parcel qualifies. 646

(3)(a) A resolution adopted under division (C)(1) of this 647  
section shall specify the life of the incentive district and the 648  
percentage of the improvements to be exempted, shall designate the 649  
public infrastructure improvements made, to be made, or in the 650  
process of being made, that benefit or serve, or, once made, will 651  
benefit or serve parcels in the district. The resolution also 652  
shall identify one or more specific projects being, or to be, 653  
undertaken in the district that place additional demand on the 654  
public infrastructure improvements designated in the resolution. 655

The project identified may, but need not be, the project under 656  
division (C)(3)(b) of this section that places real property in 657  
use for commercial or industrial purposes. 658

A resolution adopted under division (C)(1) of this section on 659  
or after March 30, 2006, shall not designate police or fire 660  
equipment as public infrastructure improvements, and no service 661  
payment provided for in section 5709.74 of the Revised Code and 662  
received by the township under the resolution shall be used for 663  
police or fire equipment. 664

(b) A resolution adopted under division (C)(1) of this 665  
section may authorize the use of service payments provided for in 666  
section 5709.74 of the Revised Code for the purpose of housing 667  
renovations within the incentive district, provided that the 668  
resolution also designates public infrastructure improvements that 669  
benefit or serve the district, and that a project within the 670  
district places real property in use for commercial or industrial 671  
purposes. Service payments may be used to finance or support 672  
loans, deferred loans, and grants to persons for the purpose of 673  
housing renovations within the district. The resolution shall 674  
designate the parcels within the district that are eligible for 675  
housing renovations. The resolution shall state separately the 676  
amount or the percentages of the expected aggregate service 677  
payments that are designated for each public infrastructure 678  
improvement and for the purpose of housing renovations. 679

(4) Except with the approval of the board of education of 680  
each city, local, or exempted village school district within the 681  
territory of which the incentive district is or will be located, 682  
and subject to division (E) of this section, the life of an 683  
incentive district shall not exceed ten years, and the percentage 684  
of improvements to be exempted shall not exceed seventy-five per 685  
cent. With approval of the board of education, the life of a 686  
district may be not more than thirty years, and the percentage of 687

improvements to be exempted may be not more than one hundred per 688  
cent. The approval of a board of education shall be obtained in 689  
the manner provided in division (D) of this section. 690

(D) Improvements with respect to a parcel may be exempted 691  
from taxation under division (B) of this section, and improvements 692  
to parcels within an incentive district may be exempted from 693  
taxation under division (C) of this section, for up to ten years 694  
or, with the approval of the board of education of the city, 695  
local, or exempted village school district within which the parcel 696  
or district is located, for up to thirty years. The percentage of 697  
the improvements exempted from taxation may, with such approval, 698  
exceed seventy-five per cent, but shall not exceed one hundred per 699  
cent. Not later than forty-five business days prior to adopting a 700  
resolution under this section declaring improvements to be a 701  
public purpose that is subject to approval by a board of education 702  
under this division, the board of township trustees shall deliver 703  
to the board of education a notice stating its intent to adopt a 704  
resolution making that declaration. The notice regarding 705  
improvements with respect to a parcel under division (B) of this 706  
section shall identify the parcels for which improvements are to 707  
be exempted from taxation, provide an estimate of the true value 708  
in money of the improvements, specify the period for which the 709  
improvements would be exempted from taxation and the percentage of 710  
the improvements that would be exempted, and indicate the date on 711  
which the board of township trustees intends to adopt the 712  
resolution. The notice regarding improvements made under division 713  
(C) of this section to parcels within an incentive district shall 714  
delineate the boundaries of the district, specifically identify 715  
each parcel within the district, identify each anticipated 716  
improvement in the district, provide an estimate of the true value 717  
in money of each such improvement, specify the life of the 718  
district and the percentage of improvements that would be 719  
exempted, and indicate the date on which the board of township 720

trustees intends to adopt the resolution. The board of education, 721  
by resolution adopted by a majority of the board, may approve the 722  
exemption for the period or for the exemption percentage specified 723  
in the notice; may disapprove the exemption for the number of 724  
years in excess of ten, may disapprove the exemption for the 725  
percentage of the improvements to be exempted in excess of 726  
seventy-five per cent, or both; or may approve the exemption on 727  
the condition that the board of township trustees and the board of 728  
education negotiate an agreement providing for compensation to the 729  
school district equal in value to a percentage of the amount of 730  
taxes exempted in the eleventh and subsequent years of the 731  
exemption period or, in the case of exemption percentages in 732  
excess of seventy-five per cent, compensation equal in value to a 733  
percentage of the taxes that would be payable on the portion of 734  
the improvements in excess of seventy-five per cent were that 735  
portion to be subject to taxation, or other mutually agreeable 736  
compensation. 737

The board of education shall certify its resolution to the 738  
board of township trustees not later than fourteen days prior to 739  
the date the board of township trustees intends to adopt the 740  
resolution as indicated in the notice. If the board of education 741  
and the board of township trustees negotiate a mutually acceptable 742  
compensation agreement, the resolution may declare the 743  
improvements a public purpose for the number of years specified in 744  
the resolution or, in the case of exemption percentages in excess 745  
of seventy-five per cent, for the exemption percentage specified 746  
in the resolution. In either case, if the board of education and 747  
the board of township trustees fail to negotiate a mutually 748  
acceptable compensation agreement, the resolution may declare the 749  
improvements a public purpose for not more than ten years, and 750  
shall not exempt more than seventy-five per cent of the 751  
improvements from taxation. If the board of education fails to 752  
certify a resolution to the board of township trustees within the 753



time prescribed by this section, the board of township trustees 754  
thereupon may adopt the resolution and may declare the 755  
improvements a public purpose for up to thirty years or, in the 756  
case of exemption percentages proposed in excess of seventy-five 757  
per cent, for the exemption percentage specified in the 758  
resolution. The board of township trustees may adopt the 759  
resolution at any time after the board of education certifies its 760  
resolution approving the exemption to the board of township 761  
trustees, or, if the board of education approves the exemption on 762  
the condition that a mutually acceptable compensation agreement be 763  
negotiated, at any time after the compensation agreement is agreed 764  
to by the board of education and the board of township trustees. 765  
If a mutually acceptable compensation agreement is negotiated 766  
between the board of township trustees and the board of education, 767  
including agreements for payments in lieu of taxes under section 768  
5709.74 of the Revised Code, the board of township trustees shall 769  
compensate the joint vocational school district within which the 770  
parcel or district is located at the same rate and under the same 771  
terms received by the city, local, or exempted village school 772  
district. 773

If a board of education has adopted a resolution waiving its 774  
right to approve exemptions from taxation under this section and 775  
the resolution remains in effect, approval of such exemptions by 776  
the board of education is not required under division (D) of this 777  
section. If a board of education has adopted a resolution allowing 778  
a board of township trustees to deliver the notice required under 779  
division (D) of this section fewer than forty-five business days 780  
prior to adoption of the resolution by the board of township 781  
trustees, the board of township trustees shall deliver the notice 782  
to the board of education not later than the number of days prior 783  
to the adoption as prescribed by the board of education in its 784  
resolution. If a board of education adopts a resolution waiving 785  
its right to approve exemptions or shortening the notification 786

period, the board of education shall certify a copy of the 787  
resolution to the board of township trustees. If the board of 788  
education rescinds the resolution, it shall certify notice of the 789  
rescission to the board of township trustees. 790

If the board of township trustees is not required by division 791  
(D) of this section to notify the board of education of the board 792  
of township trustees' intent to declare improvements to be a 793  
public purpose, the board of township trustees shall comply with 794  
the notice requirements imposed under section 5709.83 of the 795  
Revised Code before taking formal action to adopt the resolution 796  
making that declaration, unless the board of education has adopted 797  
a resolution under that section waiving its right to receive the 798  
notice. 799

(E)(1) If a proposed resolution under division (C)(1) of this 800  
section exempts improvements with respect to a parcel within an 801  
incentive district for more than ten years, or the percentage of 802  
the improvement exempted from taxation exceeds seventy-five per 803  
cent, not later than forty-five business days prior to adopting 804  
the resolution the board of township trustees shall deliver to the 805  
board of county commissioners of the county within which the 806  
incentive district is or will be located a notice that states its 807  
intent to adopt a resolution creating an incentive district. The 808  
notice shall include a copy of the proposed resolution, identify 809  
the parcels for which improvements are to be exempted from 810  
taxation, provide an estimate of the true value in money of the 811  
improvements, specify the period of time for which the 812  
improvements would be exempted from taxation, specify the 813  
percentage of the improvements that would be exempted from 814  
taxation, and indicate the date on which the board of township 815  
trustees intends to adopt the resolution. 816

(2) The board of county commissioners, by resolution adopted 817  
by a majority of the board, may object to the exemption for the 818

number of years in excess of ten, may object to the exemption for 819  
the percentage of the improvement to be exempted in excess of 820  
seventy-five per cent, or both. If the board of county 821  
commissioners objects, the board may negotiate a mutually 822  
acceptable compensation agreement with the board of township 823  
trustees. In no case shall the compensation provided to the board 824  
of county commissioners exceed the property taxes foregone due to 825  
the exemption. If the board of county commissioners objects, and 826  
the board of county commissioners and board of township trustees 827  
fail to negotiate a mutually acceptable compensation agreement, 828  
the resolution adopted under division (C)(1) of this section shall 829  
provide to the board of county commissioners compensation in the 830  
eleventh and subsequent years of the exemption period equal in 831  
value to not more than fifty per cent of the taxes that would be 832  
payable to the county or, if the board of county commissioner's 833  
objection includes an objection to an exemption percentage in 834  
excess of seventy-five per cent, compensation equal in value to 835  
not more than fifty per cent of the taxes that would be payable to 836  
the county, on the portion of the improvement in excess of 837  
seventy-five per cent, were that portion to be subject to 838  
taxation. The board of county commissioners shall certify its 839  
resolution to the board of township trustees not later than thirty 840  
days after receipt of the notice. 841

(3) If the board of county commissioners does not object or 842  
fails to certify its resolution objecting to an exemption within 843  
thirty days after receipt of the notice, the board of township 844  
trustees may adopt its resolution, and no compensation shall be 845  
provided to the board of county commissioners. If the board of 846  
county commissioners timely certifies its resolution objecting to 847  
the trustees' resolution, the board of township trustees may adopt 848  
its resolution at any time after a mutually acceptable 849  
compensation agreement is agreed to by the board of county 850  
commissioners and the board of township trustees, or, if no 851

compensation agreement is negotiated, at any time after the board 852  
of township trustees agrees in the proposed resolution to provide 853  
compensation to the board of county commissioners of fifty per 854  
cent of the taxes that would be payable to the county in the 855  
eleventh and subsequent years of the exemption period or on the 856  
portion of the improvement in excess of seventy-five per cent, 857  
were that portion to be subject to taxation. 858

(F) Service payments in lieu of taxes that are attributable 859  
to any amount by which the effective tax rate of either a renewal 860  
levy with an increase or a replacement levy exceeds the effective 861  
tax rate of the levy renewed or replaced, or that are attributable 862  
to an additional levy, for a levy authorized by the voters for any 863  
of the following purposes on or after January 1, 2006, and which 864  
are provided pursuant to a resolution creating an incentive 865  
district under division (C)(1) of this section that is adopted on 866  
or after January 1, 2006, shall be distributed to the appropriate 867  
taxing authority as required under division (C) of section 5709.74 868  
of the Revised Code in an amount equal to the amount of taxes from 869  
that additional levy or from the increase in the effective tax 870  
rate of such renewal or replacement levy that would have been 871  
payable to that taxing authority from the following levies were it 872  
not for the exemption authorized under division (C) of this 873  
section: 874

(1) A tax levied under division (L) of section 5705.19 or 875  
section 5705.191 of the Revised Code for community mental 876  
retardation and developmental disabilities programs and services 877  
pursuant to Chapter 5126. of the Revised Code; 878

(2) A tax levied under division (Y) of section 5705.19 of the 879  
Revised Code for providing or maintaining senior citizens services 880  
or facilities; 881

(3) A tax levied under section 5705.22 of the Revised Code 882  
for county hospitals; 883

(4) A tax levied by a joint-county district or by a county	884
under section 5705.19, 5705.191, or 5705.221 of the Revised Code	885
for alcohol, drug addiction, and mental health services or	886
families;	887
(5) A tax levied under section 5705.23 of the Revised Code	888
for library purposes;	889
(6) A tax levied under section 5705.24 of the Revised Code	890
for the support of children services and the placement and care of	891
children;	892
(7) A tax levied under division (Z) of section 5705.19 of the	893
Revised Code for the provision and maintenance of zoological park	894
services and facilities under section 307.76 of the Revised Code;	895
(8) A tax levied under section 511.27 or division (H) of	896
section 5705.19 of the Revised Code for the support of township	897
park districts;	898
(9) A tax levied under division (A), (F), or (H) of section	899
5705.19 of the Revised Code for parks and recreational purposes of	900
a joint recreation district organized pursuant to division (B) of	901
section 755.14 of the Revised Code;	902
(10) A tax levied under section 1545.20 or 1545.21 of the	903
Revised Code for park district purposes;	904
(11) A tax levied under section 5705.191 of the Revised Code	905
for the purpose of making appropriations for public assistance;	906
human or social services; public relief; public welfare; public	907
health and hospitalization; and support of general hospitals;	908
(12) A tax levied under section 3709.29 of the Revised Code	909
for a general health district program.	910
(G) An exemption from taxation granted under this section	911
commences with the tax year specified in the resolution so long as	912
the year specified in the resolution commences after the effective	913

date of the resolution. If the resolution specifies a year 914  
commencing before the effective date of the resolution or 915  
specifies no year whatsoever, the exemption commences with the tax 916  
year in which an exempted improvement first appears on the tax 917  
list and duplicate of real and public utility property and that 918  
commences after the effective date of the resolution. In lieu of 919  
stating a specific year, the resolution may provide that the 920  
exemption commences in the tax year in which the value of an 921  
improvement exceeds a specified amount or in which the 922  
construction of one or more improvements is completed, provided 923  
that such tax year commences after the effective date of the 924  
resolution. With respect to the exemption of improvements to 925  
parcels under division (B) of this section, the resolution may 926  
allow for the exemption to commence in different tax years on a 927  
parcel-by-parcel basis, with a separate exemption term specified 928  
for each parcel. 929

Except as otherwise provided in this division, the exemption 930  
ends on the date specified in the resolution as the date the 931  
improvement ceases to be a public purpose or the incentive 932  
district expires, or ends on the date on which the public 933  
infrastructure improvements and housing renovations are paid in 934  
full from the township public improvement tax increment equivalent 935  
fund established under section 5709.75 of the Revised Code, 936  
whichever occurs first. The exemption of an improvement with 937  
respect to a parcel or within an incentive district may end on a 938  
later date, as specified in the resolution, if the board of 939  
township trustees and the board of education of the city, local, 940  
or exempted village school district within which the parcel or 941  
district is located have entered into a compensation agreement 942  
under section 5709.82 of the Revised Code with respect to the 943  
improvement and the board of education has approved the term of 944  
the exemption under division (D) of this section, but in no case 945  
shall the improvement be exempted from taxation for more than 946

thirty years. The board of township trustees may, by majority 947  
vote, adopt a resolution permitting the township to enter into 948  
such agreements as the board finds necessary or appropriate to 949  
provide for the construction or undertaking of public 950  
infrastructure improvements and housing renovations. Any exemption 951  
shall be claimed and allowed in the same or a similar manner as in 952  
the case of other real property exemptions. If an exemption status 953  
changes during a tax year, the procedure for the apportionment of 954  
the taxes for that year is the same as in the case of other 955  
changes in tax exemption status during the year. 956

(H) The board of township trustees may issue the notes of the 957  
township to finance all costs pertaining to the construction or 958  
undertaking of public infrastructure improvements and housing 959  
renovations made pursuant to this section. The notes shall be 960  
signed by the board and attested by the signature of the township 961  
fiscal officer, shall bear interest not to exceed the rate 962  
provided in section 9.95 of the Revised Code, and are not subject 963  
to Chapter 133. of the Revised Code. The resolution authorizing 964  
the issuance of the notes shall pledge the funds of the township 965  
public improvement tax increment equivalent fund established 966  
pursuant to section 5709.75 of the Revised Code to pay the 967  
interest on and principal of the notes. The notes, which may 968  
contain a clause permitting prepayment at the option of the board, 969  
shall be offered for sale on the open market or given to the 970  
vendor or contractor if no sale is made. 971

(I) The township, not later than fifteen days after the 972  
adoption of a resolution under this section, shall submit to the 973  
director of development services a copy of the resolution. On or 974  
before the thirty-first day of March of each year, the township 975  
shall submit a status report to the director of development 976  
services. The report shall indicate, in the manner prescribed by 977  
the director, the progress of the project during each year that 978

the exemption remains in effect, including a summary of the 979  
receipts from service payments in lieu of taxes; expenditures of 980  
money from the fund created under section 5709.75 of the Revised 981  
Code; a description of the public infrastructure improvements and 982  
housing renovations financed with the expenditures; and a 983  
quantitative summary of changes in private investment resulting 984  
from each project. 985

(J) Nothing in this section shall be construed to prohibit a 986  
board of township trustees from declaring to be a public purpose 987  
improvements with respect to more than one parcel. 988

If a parcel is located in a new community district in which 989  
the new community authority imposes a community development charge 990  
on the basis of rentals received from leases of real property as 991  
described in division (L)(2) of section 349.01 of the Revised 992  
Code, the parcel may not be exempted from taxation under this 993  
section. 994

(K) A board of township trustees that adopted a resolution 995  
under this section prior to July 21, 1994, may amend that 996  
resolution to include any additional public infrastructure 997  
improvement. A board of township trustees that seeks by the 998  
amendment to utilize money from its township public improvement 999  
tax increment equivalent fund for land acquisition in aid of 1000  
industry, commerce, distribution, or research, demolition on 1001  
private property, or stormwater and flood remediation projects may 1002  
do so provided that the board currently is a party to a 1003  
hold-harmless agreement with the board of education of the city, 1004  
local, or exempted village school district within the territory of 1005  
which are located the parcels that are subject to an exemption. 1006  
For the purposes of this division, a "hold-harmless agreement" 1007  
means an agreement under which the board of township trustees 1008  
agrees to compensate the school district for one hundred per cent 1009  
of the tax revenue that the school district would have received 1010



from further improvements to parcels designated in the resolution 1011  
were it not for the exemption granted by the resolution. 1012

**Sec. 5709.77.** As used in sections 5709.77 to 5709.81 of the 1013  
Revised Code: 1014

(A) "Business day" means a day of the week excluding 1015  
Saturday, Sunday, and a legal holiday as defined in section 1.14 1016  
of the Revised Code. 1017

(B) "Fund" means to provide for the payment of the debt 1018  
service on and the expenses relating to an outstanding obligation 1019  
of the county. 1020

(C) "Housing renovation" means a project carried out for 1021  
residential purposes. 1022

(D) "Improvement" means the increase in the assessed value of 1023  
real property that would first appear on the tax list and 1024  
duplicate of real and public utility property after the effective 1025  
date of a resolution adopted under section 5709.78 of the Revised 1026  
Code were it not for the exemption granted by that resolution. For 1027  
purposes of division (A) of section 5709.78 of the Revised Code, 1028  
"improvement" does not include any property used or to be used for 1029  
residential purposes. For this purpose, "property that is used or 1030  
to be used for residential purposes" means property that, as 1031  
improved, is used or to be used for purposes that would cause the 1032  
tax commissioner to classify the property as residential property 1033  
in accordance with rules adopted by the commissioner under section 1034  
5713.041 of the Revised Code. 1035

(E) "Incentive district" has the same meaning as in section 1036  
5709.40 of the Revised Code, except that a blighted area is in the 1037  
unincorporated territory of a county. 1038

(F) "Refund" means to fund and retire an outstanding 1039  
obligation of the county. 1040

(G) "Overlay" has the meaning defined in section 5709.40 of the Revised Code, except that the overlay is delineated by the board of county commissioners. 1041  
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(H) "Project" and "public infrastructure improvement" have the same meanings as in section 5709.40 of the Revised Code. 1044  
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**Sec. 5709.78.** (A) A board of county commissioners may, by resolution, declare improvements to certain parcels of real property located in the unincorporated territory of the county to be a public purpose. Except with the approval under division (C) of this section of the board of education of each city, local, or exempted village school district within which the improvements are located, not more than seventy-five per cent of an improvement thus declared to be a public purpose may be exempted from real property taxation, for a period of not more than ten years. The resolution shall specify the percentage of the improvement to be exempted and the life of the exemption. 1046  
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A resolution adopted under this division shall designate the specific public infrastructure improvements made, to be made, or in the process of being made by the county that directly benefit, or that once made will directly benefit, the parcels for which improvements are declared to be a public purpose. The service payments provided for in section 5709.79 of the Revised Code shall be used to finance the public infrastructure improvements designated in the resolution, or as provided in section 5709.80 of the Revised Code. 1057  
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(B)(1) A board of county commissioners may adopt a resolution creating an incentive district and declaring improvements to parcels within the district to be a public purpose and, except as provided in division ~~(E)~~(B)(2) of this section, exempt from taxation as provided in this section, but no board of county commissioners of a county that has a population that exceeds 1066  
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twenty-five thousand, as shown by the most recent federal 1072  
decennial census, shall adopt a resolution that creates an 1073  
incentive district if the sum of the taxable value of real 1074  
property in the proposed district for the preceding tax year and 1075  
the taxable value of all real property in the county that would 1076  
have been taxable in the preceding year were it not for the fact 1077  
that the property was in an existing incentive district and 1078  
therefore exempt from taxation exceeds twenty-five per cent of the 1079  
taxable value of real property in the county for the preceding tax 1080  
year. The district shall be located within the unincorporated 1081  
territory of the county and shall not include any territory that 1082  
is included within a district created under division (C) of 1083  
section 5709.73 of the Revised Code. The resolution shall 1084  
delineate the boundary of the proposed district and specifically 1085  
identify each parcel within the district. A proposed district may 1086  
not include any parcel that is or has been exempted from taxation 1087  
under division (A) of this section or that is or has been within 1088  
another district created under this division. A resolution may 1089  
create more than one such district, and more than one resolution 1090  
may be adopted under division (B)(1) of this section. 1091

(2)(a) Not later than thirty days prior to adopting a 1092  
resolution under division (B)(1) of this section, if the county 1093  
intends to apply for exemptions from taxation under section 1094  
5709.911 of the Revised Code on behalf of owners of real property 1095  
located within the proposed incentive district, the board of 1096  
county commissioners shall conduct a public hearing on the 1097  
proposed resolution. Not later than thirty days prior to the 1098  
public hearing, the board shall give notice of the public hearing 1099  
and the proposed resolution by first class mail to every real 1100  
property owner whose property is located within the boundaries of 1101  
the proposed incentive district that is the subject of the 1102  
proposed resolution. The board also shall provide the notice by 1103  
first class mail to the clerk of each township in which the 1104

proposed incentive district will be located. The notice shall 1105  
include a map of the proposed incentive district on which the 1106  
board of county commissioners shall have delineated an overlay. 1107  
The notice shall inform property owners of the owner's right to 1108  
exclude the owner's property from the incentive district if the 1109  
owner's entire parcel of property will not be located within the 1110  
overlay, by submitting a written response in accordance with 1111  
division (B)(2)(b) of this section. The notice also shall include 1112  
information detailing the required contents of the response, the 1113  
address to which the response may be mailed, and the deadline for 1114  
submitting the response. 1115

(b) Any owner of real property located within the boundaries 1116  
of an incentive district proposed under division (B)(1) of this 1117  
section whose entire parcel of property is not located within the 1118  
overlay may exclude the property from the proposed incentive 1119  
district by submitting a written response to the board not later 1120  
than forty-five days after the postmark date on the notice 1121  
required under division (B)(2)(a) of this section. The response 1122  
shall be sent by first class mail or delivered in person at a 1123  
public hearing held by the board under division (B)(2)(a) of this 1124  
section. The response shall conform to any content requirements 1125  
that may be established by the board and included in the notice 1126  
provided under division (B)(2)(a) of this section. In the 1127  
response, property owners may identify a parcel by street address, 1128  
by the manner in which it is identified in the resolution, or by 1129  
other means allowing the identity of the parcel to be ascertained. 1130

(c) Before adopting a resolution under division (B)(1) of 1131  
this section, the board shall amend the resolution to exclude any 1132  
parcel for which a written response has been submitted under 1133  
division (B)(2)(b) of this section. A county shall not apply for 1134  
exemptions from taxation under section 5709.911 of the Revised 1135  
Code for any property for which a written response has been 1136

submitted under division (B)(2)(b) of this section, and service 1137  
payments may not be required from the owner of the parcel. 1138  
Improvements to a parcel excluded from an incentive district under 1139  
this division may be exempted from taxation under division (A) of 1140  
this section pursuant to an ordinance adopted under that division 1141  
or under any other section of the Revised Code under which the 1142  
parcel qualifies. 1143

(3)(a) A resolution adopted under division (B)(1) of this 1144  
section shall specify the life of the incentive district and the 1145  
percentage of the improvements to be exempted, shall designate the 1146  
public infrastructure improvements made, to be made, or in the 1147  
process of being made, that benefit or serve, or, once made, will 1148  
benefit or serve parcels in the district. The resolution also 1149  
shall identify one or more specific projects being, or to be, 1150  
undertaken in the district that place additional demand on the 1151  
public infrastructure improvements designated in the resolution. 1152  
The project identified may, but need not be, the project under 1153  
division (B)(3)(b) of this section that places real property in 1154  
use for commercial or industrial purposes. 1155

A resolution adopted under division (B)(1) of this section on 1156  
or after March 30, 2006, shall not designate police or fire 1157  
equipment as public infrastructure improvements, and no service 1158  
payment provided for in section 5709.79 of the Revised Code and 1159  
received by the county under the resolution shall be used for 1160  
police or fire equipment. 1161

(b) A resolution adopted under division (B)(1) of this 1162  
section may authorize the use of service payments provided for in 1163  
section 5709.79 of the Revised Code for the purpose of housing 1164  
renovations within the incentive district, provided that the 1165  
resolution also designates public infrastructure improvements that 1166  
benefit or serve the district, and that a project within the 1167  
district places real property in use for commercial or industrial 1168

purposes. Service payments may be used to finance or support 1169  
loans, deferred loans, and grants to persons for the purpose of 1170  
housing renovations within the district. The resolution shall 1171  
designate the parcels within the district that are eligible for 1172  
housing renovations. The resolution shall state separately the 1173  
amount or the percentages of the expected aggregate service 1174  
payments that are designated for each public infrastructure 1175  
improvement and for the purpose of housing renovations. 1176

(4) Except with the approval of the board of education of 1177  
each city, local, or exempted village school district within the 1178  
territory of which the incentive district is or will be located, 1179  
and subject to division (D) of this section, the life of an 1180  
incentive district shall not exceed ten years, and the percentage 1181  
of improvements to be exempted shall not exceed seventy-five per 1182  
cent. With approval of the board of education, the life of a 1183  
district may be not more than thirty years, and the percentage of 1184  
improvements to be exempted may be not more than one hundred per 1185  
cent. The approval of a board of education shall be obtained in 1186  
the manner provided in division (C) of this section. 1187

(C)(1) Improvements with respect to a parcel may be exempted 1188  
from taxation under division (A) of this section, and improvements 1189  
to parcels within an incentive district may be exempted from 1190  
taxation under division (B) of this section, for up to ten years 1191  
or, with the approval of the board of education of each city, 1192  
local, or exempted village school district within which the parcel 1193  
or district is located, for up to thirty years. The percentage of 1194  
the improvements exempted from taxation may, with such approval, 1195  
exceed seventy-five per cent, but shall not exceed one hundred per 1196  
cent. Not later than forty-five business days prior to adopting a 1197  
resolution under this section declaring improvements to be a 1198  
public purpose that is subject to the approval of a board of 1199  
education under this division, the board of county commissioners 1200

shall deliver to the board of education a notice stating its 1201  
intent to adopt a resolution making that declaration. The notice 1202  
regarding improvements with respect to a parcel under division (A) 1203  
of this section shall identify the parcels for which improvements 1204  
are to be exempted from taxation, provide an estimate of the true 1205  
value in money of the improvements, specify the period for which 1206  
the improvements would be exempted from taxation and the 1207  
percentage of the improvements that would be exempted, and 1208  
indicate the date on which the board of county commissioners 1209  
intends to adopt the resolution. The notice regarding improvements 1210  
to parcels within an incentive district under division (B) of this 1211  
section shall delineate the boundaries of the district, 1212  
specifically identify each parcel within the district, identify 1213  
each anticipated improvement in the district, provide an estimate 1214  
of the true value in money of each such improvement, specify the 1215  
life of the district and the percentage of improvements that would 1216  
be exempted, and indicate the date on which the board of county 1217  
commissioners intends to adopt the resolution. The board of 1218  
education, by resolution adopted by a majority of the board, may 1219  
approve the exemption for the period or for the exemption 1220  
percentage specified in the notice; may disapprove the exemption 1221  
for the number of years in excess of ten, may disapprove the 1222  
exemption for the percentage of the improvements to be exempted in 1223  
excess of seventy-five per cent, or both; or may approve the 1224  
exemption on the condition that the board of county commissioners 1225  
and the board of education negotiate an agreement providing for 1226  
compensation to the school district equal in value to a percentage 1227  
of the amount of taxes exempted in the eleventh and subsequent 1228  
years of the exemption period or, in the case of exemption 1229  
percentages in excess of seventy-five per cent, compensation equal 1230  
in value to a percentage of the taxes that would be payable on the 1231  
portion of the improvements in excess of seventy-five per cent 1232  
were that portion to be subject to taxation, or other mutually 1233

agreeable compensation. 1234

(2) The board of education shall certify its resolution to 1235  
the board of county commissioners not later than fourteen days 1236  
prior to the date the board of county commissioners intends to 1237  
adopt its resolution as indicated in the notice. If the board of 1238  
education and the board of county commissioners negotiate a 1239  
mutually acceptable compensation agreement, the resolution of the 1240  
board of county commissioners may declare the improvements a 1241  
public purpose for the number of years specified in that 1242  
resolution or, in the case of exemption percentages in excess of 1243  
seventy-five per cent, for the exemption percentage specified in 1244  
the resolution. In either case, if the board of education and the 1245  
board of county commissioners fail to negotiate a mutually 1246  
acceptable compensation agreement, the resolution may declare the 1247  
improvements a public purpose for not more than ten years, and 1248  
shall not exempt more than seventy-five per cent of the 1249  
improvements from taxation. If the board of education fails to 1250  
certify a resolution to the board of county commissioners within 1251  
the time prescribed by this section, the board of county 1252  
commissioners thereupon may adopt the resolution and may declare 1253  
the improvements a public purpose for up to thirty years or, in 1254  
the case of exemption percentages proposed in excess of 1255  
seventy-five per cent, for the exemption percentage specified in 1256  
the resolution. The board of county commissioners may adopt the 1257  
resolution at any time after the board of education certifies its 1258  
resolution approving the exemption to the board of county 1259  
commissioners, or, if the board of education approves the 1260  
exemption on the condition that a mutually acceptable compensation 1261  
agreement be negotiated, at any time after the compensation 1262  
agreement is agreed to by the board of education and the board of 1263  
county commissioners. If a mutually acceptable compensation 1264  
agreement is negotiated between the board of county commissioners 1265  
and the board of education, including agreements for payments in 1266



lieu of taxes under section 5709.79 of the Revised Code, the board 1267  
of county commissioners shall compensate the joint vocational 1268  
school district within which the parcel or district is located at 1269  
the same rate and under the same terms received by the city, 1270  
local, or exempted village school district. 1271

(3) If a board of education has adopted a resolution waiving 1272  
its right to approve exemptions from taxation under this section 1273  
and the resolution remains in effect, approval of such exemptions 1274  
by the board of education is not required under division (C) of 1275  
this section. If a board of education has adopted a resolution 1276  
allowing a board of county commissioners to deliver the notice 1277  
required under division (C) of this section fewer than forty-five 1278  
business days prior to approval of the resolution by the board of 1279  
county commissioners, the board of county commissioners shall 1280  
deliver the notice to the board of education not later than the 1281  
number of days prior to such approval as prescribed by the board 1282  
of education in its resolution. If a board of education adopts a 1283  
resolution waiving its right to approve exemptions or shortening 1284  
the notification period, the board of education shall certify a 1285  
copy of the resolution to the board of county commissioners. If 1286  
the board of education rescinds such a resolution, it shall 1287  
certify notice of the rescission to the board of county 1288  
commissioners. 1289

(D)(1) If a proposed resolution under division (B)(1) of this 1290  
section exempts improvements with respect to a parcel within an 1291  
incentive district for more than ten years, or the percentage of 1292  
the improvement exempted from taxation exceeds seventy-five per 1293  
cent, not later than forty-five business days prior to adopting 1294  
the resolution the board of county commissioners shall deliver to 1295  
the board of township trustees of any township within which the 1296  
incentive district is or will be located a notice that states its 1297  
intent to adopt a resolution creating an incentive district. The 1298

notice shall include a copy of the proposed resolution, identify 1299  
the parcels for which improvements are to be exempted from 1300  
taxation, provide an estimate of the true value in money of the 1301  
improvements, specify the period of time for which the 1302  
improvements would be exempted from taxation, specify the 1303  
percentage of the improvements that would be exempted from 1304  
taxation, and indicate the date on which the board intends to 1305  
adopt the resolution. 1306

(2) The board of township trustees, by resolution adopted by 1307  
a majority of the board, may object to the exemption for the 1308  
number of years in excess of ten, may object to the exemption for 1309  
the percentage of the improvement to be exempted in excess of 1310  
seventy-five per cent, or both. If the board of township trustees 1311  
objects, the board of township trustees may negotiate a mutually 1312  
acceptable compensation agreement with the board of county 1313  
commissioners. In no case shall the compensation provided to the 1314  
board of township trustees exceed the property taxes forgone due 1315  
to the exemption. If the board of township trustees objects, and 1316  
the board of township trustees and the board of county 1317  
commissioners fail to negotiate a mutually acceptable compensation 1318  
agreement, the resolution adopted under division (B)(1) of this 1319  
section shall provide to the board of township trustees 1320  
compensation in the eleventh and subsequent years of the exemption 1321  
period equal in value to not more than fifty per cent of the taxes 1322  
that would be payable to the township or, if the board of township 1323  
trustee's objection includes an objection to an exemption 1324  
percentage in excess of seventy-five per cent, compensation equal 1325  
in value to not more than fifty per cent of the taxes that would 1326  
be payable to the township on the portion of the improvement in 1327  
excess of seventy-five per cent, were that portion to be subject 1328  
to taxation. The board of township trustees shall certify its 1329  
resolution to the board of county commissioners not later than 1330  
thirty days after receipt of the notice. 1331

(3) If the board of township trustees does not object or 1332  
fails to certify a resolution objecting to an exemption within 1333  
thirty days after receipt of the notice, the board of county 1334  
commissioners may adopt its resolution, and no compensation shall 1335  
be provided to the board of township trustees. If the board of 1336  
township trustees certifies its resolution objecting to the 1337  
commissioners' resolution, the board of county commissioners may 1338  
adopt its resolution at any time after a mutually acceptable 1339  
compensation agreement is agreed to by the board of county 1340  
commissioners and the board of township trustees. If the board of 1341  
township trustees certifies a resolution objecting to the 1342  
commissioners' resolution, the board of county commissioners may 1343  
adopt its resolution at any time after a mutually acceptable 1344  
compensation agreement is agreed to by the board of county 1345  
commissioners and the board of township trustees, or, if no 1346  
compensation agreement is negotiated, at any time after the board 1347  
of county commissioners in the proposed resolution to provide 1348  
compensation to the board of township trustees of fifty per cent 1349  
of the taxes that would be payable to the township in the eleventh 1350  
and subsequent years of the exemption period or on the portion of 1351  
the improvement in excess of seventy-five per cent, were that 1352  
portion to be subject to taxation. 1353

(E) Service payments in lieu of taxes that are attributable 1354  
to any amount by which the effective tax rate of either a renewal 1355  
levy with an increase or a replacement levy exceeds the effective 1356  
tax rate of the levy renewed or replaced, or that are attributable 1357  
to an additional levy, for a levy authorized by the voters for any 1358  
of the following purposes on or after January 1, 2006, and which 1359  
are provided pursuant to a resolution creating an incentive 1360  
district under division (B)(1) of this section that is adopted on 1361  
or after January 1, 2006, shall be distributed to the appropriate 1362  
taxing authority as required under division (D) of section 5709.79 1363  
of the Revised Code in an amount equal to the amount of taxes from 1364

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

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

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

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

(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 facilities;

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

(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;

(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;

(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;

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

5705.19 of the Revised Code for parks and recreational purposes of 1395  
a joint recreation district organized pursuant to division (B) of 1396  
section 755.14 of the Revised Code; 1397

(10) A tax levied under section 1545.20 or 1545.21 of the 1398  
Revised Code for park district purposes; 1399

(11) A tax levied under section 5705.191 of the Revised Code 1400  
for the purpose of making appropriations for public assistance; 1401  
human or social services; public relief; public welfare; public 1402  
health and hospitalization; and support of general hospitals; 1403

(12) A tax levied under section 3709.29 of the Revised Code 1404  
for a general health district program. 1405

(F) An exemption from taxation granted under this section 1406  
commences with the tax year specified in the resolution so long as 1407  
the year specified in the resolution commences after the effective 1408  
date of the resolution. If the resolution specifies a year 1409  
commencing before the effective date of the resolution or 1410  
specifies no year whatsoever, the exemption commences with the tax 1411  
year in which an exempted improvement first appears on the tax 1412  
list and duplicate of real and public utility property and that 1413  
commences after the effective date of the resolution. In lieu of 1414  
stating a specific year, the resolution may provide that the 1415  
exemption commences in the tax year in which the value of an 1416  
improvement exceeds a specified amount or in which the 1417  
construction of one or more improvements is completed, provided 1418  
that such tax year commences after the effective date of the 1419  
resolution. With respect to the exemption of improvements to 1420  
parcels under division (A) of this section, the resolution may 1421  
allow for the exemption to commence in different tax years on a 1422  
parcel-by-parcel basis, with a separate exemption term specified 1423  
for each parcel. 1424

Except as otherwise provided in this division, the exemption 1425

ends on the date specified in the resolution as the date the 1426  
improvement ceases to be a public purpose or the incentive 1427  
district expires, or ends on the date on which the county can no 1428  
longer require annual service payments in lieu of taxes under 1429  
section 5709.79 of the Revised Code, whichever occurs first. The 1430  
exemption of an improvement with respect to a parcel or within an 1431  
incentive district may end on a later date, as specified in the 1432  
resolution, if the board of commissioners and the board of 1433  
education of the city, local, or exempted village school district 1434  
within which the parcel or district is located have entered into a 1435  
compensation agreement under section 5709.82 of the Revised Code 1436  
with respect to the improvement, and the board of education has 1437  
approved the term of the exemption under division (C)(1) of this 1438  
section, but in no case shall the improvement be exempted from 1439  
taxation for more than thirty years. Exemptions shall be claimed 1440  
and allowed in the same or a similar manner as in the case of 1441  
other real property exemptions. If an exemption status changes 1442  
during a tax year, the procedure for the apportionment of the 1443  
taxes for that year is the same as in the case of other changes in 1444  
tax exemption status during the year. 1445

(G) If the board of county commissioners is not required by 1446  
this section to notify the board of education of the board of 1447  
county commissioners' intent to declare improvements to be a 1448  
public purpose, the board of county commissioners shall comply 1449  
with the notice requirements imposed under section 5709.83 of the 1450  
Revised Code before taking formal action to adopt the resolution 1451  
making that declaration, unless the board of education has adopted 1452  
a resolution under that section waiving its right to receive such 1453  
a notice. 1454

(H) The county, not later than fifteen days after the 1455  
adoption of a resolution under this section, shall submit to the 1456  
director of development services a copy of the resolution. On or 1457

before the thirty-first day of March of each year, the county 1458  
shall submit a status report to the director of development 1459  
services. The report shall indicate, in the manner prescribed by 1460  
the director, the progress of the project during each year that an 1461  
exemption remains in effect, including a summary of the receipts 1462  
from service payments in lieu of taxes; expenditures of money from 1463  
the fund created under section 5709.80 of the Revised Code; a 1464  
description of the public infrastructure improvements and housing 1465  
renovations financed with such expenditures; and a quantitative 1466  
summary of changes in employment and private investment resulting 1467  
from each project. 1468

(I) Nothing in this section shall be construed to prohibit a 1469  
board of county commissioners from declaring to be a public 1470  
purpose improvements with respect to more than one parcel. 1471

(J) If a parcel is located in a new community district in 1472  
which the new community authority imposes a community development 1473  
charge on the basis of rentals received from leases of real 1474  
property as described in division (L)(2) of section 349.01 of the 1475  
Revised Code, the parcel may not be exempted from taxation under 1476  
this section. 1477

**Sec. 5709.911.** (A)(1) A municipal corporation, township, or 1478  
county that has enacted an ordinance or resolution under section 1479  
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code or that 1480  
has entered into an agreement referred to in section 725.02 or 1481  
1728.07 of the Revised Code may file an application for exemption 1482  
under those sections in the same manner as other real property tax 1483  
exemptions, notwithstanding the indication in division (A) of 1484  
section 5715.27 of the Revised Code that the owner of the property 1485  
may file the application. An application for exemption may not be 1486  
filed by a municipal corporation, township, or county for an 1487  
exemption of a parcel under section 5709.40, 5709.73, or 5709.78 1488

of the Revised Code if the property owner excludes the property 1489  
from such exemption as provided in that section. 1490

(2) Except as provided in division (B) of this section, if 1491  
the application for exemption under section 725.02, 1728.10, 1492  
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code is filed 1493  
by a municipal corporation, township, or county and more than one 1494  
real property tax exemption applies by law to the property or a 1495  
portion of the property, both of the following apply: 1496

(a) An exemption granted under section 725.02, 1728.10, 1497  
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code shall be 1498  
subordinate to an exemption with respect to the property or 1499  
portion of the property granted under any other provision of the 1500  
Revised Code. 1501

(b) Neither service payments in lieu of taxes under section 1502  
725.04, 5709.42, 5709.74, or 5709.79 of the Revised Code, nor 1503  
service charges in lieu of taxes under section 1728.11 or 1728.111 1504  
of the Revised Code, shall be required with respect to the 1505  
property or portion of the property that is exempt from real 1506  
property taxes under that other provision of the Revised Code 1507  
during the effective period of the exemption. 1508

(B)(1) If the application for exemption under section 725.02, 1509  
1728.10, 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code 1510  
is filed by the owner of the property or by a municipal 1511  
corporation, township, or county with the owner's written consent 1512  
attached to the application, and if more than one real property 1513  
tax exemption applies by law to the property or a portion of the 1514  
property, no other exemption shall be granted for the portion of 1515  
the property already exempt under section 725.02, 1728.10, 1516  
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code unless 1517  
the municipal corporation, township, or county that enacted the 1518  
authorizing ordinance or resolution for the earlier exemption 1519



provides its duly authorized written consent to the subsequent 1520  
exemption by means of a duly enacted ordinance or resolution. 1521

(2) If the application for exemption under section 725.02, 1522  
1728.10, 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code 1523  
is filed by a municipal corporation, township, or county and 1524  
approved by the tax commissioner, if the owner of the property 1525  
subsequently provides written consent to the exemption and the 1526  
consent is filed with the tax commissioner, and if more than one 1527  
real property tax exemption applies by law to the property or a 1528  
portion of the property, no other exemption shall be granted for 1529  
the portion of the property already exempt under section 725.02, 1530  
1728.10, 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code 1531  
unless the municipal corporation, township, or county that enacted 1532  
the authorizing ordinance or resolution for the earlier exemption 1533  
provides its duly authorized written consent to the subsequent 1534  
exemption by means of a duly enacted ordinance or resolution. 1535

(C)(1) After the tax commissioner has approved or partially 1536  
approved an application for exemption filed by or with the consent 1537  
of a property owner under the circumstances described in division 1538  
(B)(1) of this section, the municipal corporation, township, 1539  
county, or property owner shall file a notice with the county 1540  
recorder for the county in which the property is located that 1541  
clearly identifies the property and the owner of the property and 1542  
states that the property, regardless of future use or ownership, 1543  
remains liable for any service payments or service charges 1544  
required by the exemption until the terms of the exemption have 1545  
been satisfied, unless the municipal corporation, township, or 1546  
county consents to the subsequent exemption and relinquishes its 1547  
right to collect the service payments or service charges as 1548  
provided in division (B)(1) of this section. The county recorder's 1549  
office shall charge a fee of fourteen dollars to record the 1550  
notice, the proceeds of which shall be retained by the county. 1551

(2) If a property owner subsequently provides written consent 1552  
to an exemption under the circumstances described in division 1553  
(B)(2) of this section, the municipal corporation, township, 1554  
county, or property owner shall file notice with the county 1555  
recorder for the county in which the property is located that 1556  
clearly identifies the property and the owner of the property and 1557  
states that the property, regardless of future use or ownership, 1558  
remains liable for any service payments or service charges 1559  
required by the exemption until the terms of the exemption have 1560  
been satisfied, unless the municipal corporation, township, or 1561  
county consents to the subsequent exemption and relinquishes its 1562  
right to collect the service payments or service charges as 1563  
provided in division (B)(2) of this section. The county recorder's 1564  
office shall charge a fee of fourteen dollars to record the 1565  
notice, the proceeds of which shall be retained by the county. 1566

(D) Upon filing of the notice with the county recorder, the 1567  
provisions of division (B) of this section are binding on all 1568  
future owners of the property or portion of the property, 1569  
regardless of how the property is used. Failure to file the notice 1570  
with the county recorder relieves future owners of the property 1571  
from the obligation to make service payments in lieu of taxes 1572  
under section 725.04, 5709.42, 5709.74, or 5709.79 of the Revised 1573  
Code or service charges in lieu of taxes under section 1728.11 or 1574  
1728.111 of the Revised Code, if the property or a portion of the 1575  
property later qualifies for exemption under any other provision 1576  
of the Revised Code. Failure to file the notice does not, however, 1577  
relieve the owner of the property, at the time the application for 1578  
exemption is filed, from making those payments or charges. 1579

**Section 2.** That existing sections 5709.40, 5709.73, 5709.77, 1580  
5709.78, and 5709.911 of the Revised Code are hereby repealed. 1581