

As Introduced

**130th General Assembly
Regular Session
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H. B. No. 665

Representative Schuring

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A B I L L

To amend sections 133.04, 133.06, 709.024, 709.19, 1
3317.021, 5501.311, 5709.12, 5709.82, 5709.83, 2
5709.831, 5709.832, 5709.85, 5709.91, 5709.911, 3
5709.913, and 5715.27 and to enact sections 4
1710.14, 1724.12, 5709.45, 5709.46, and 5709.47 of 5
the Revised Code to authorize municipal 6
corporations to create downtown redevelopment 7
districts for the purpose of promoting the 8
rehabilitation of historic buildings, creating 9
jobs, and encouraging economic development in 10
commercial and mixed-use commercial and 11
residential areas. 12

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

Section 1. That sections 133.04, 133.06, 709.024, 709.19, 13
3317.021, 5501.311, 5709.12, 5709.82, 5709.83, 5709.831, 5709.832, 14
5709.85, 5709.91, 5709.911, 5709.913, and 5715.27 be amended and 15
sections 1710.14, 1724.12, 5709.45, 5709.46, and 5709.47 of the 16
Revised Code be enacted to read as follows: 17

Sec. 133.04. (A) As used in this chapter, "net indebtedness" 18
means, as determined pursuant to this section, the principal 19
amount of the outstanding securities of a subdivision less the 20

amount held in a bond retirement fund to the extent such amount is 21
not taken into account in determining the principal amount 22
outstanding under division (AA) of section 133.01 of the Revised 23
Code. For purposes of this definition, the principal amount of 24
outstanding securities includes the principal amount of 25
outstanding securities of another subdivision apportioned to the 26
subdivision as a result of acquisition of territory, and excludes 27
the principal amount of outstanding securities of the subdivision 28
apportioned to another subdivision as a result of loss of 29
territory and the payment or reimbursement obligations of the 30
subdivision under credit enhancement facilities relating to 31
outstanding securities. 32

(B) In calculating the net indebtedness of a subdivision, 33
none of the following securities, including anticipatory 34
securities issued in anticipation of their issuance, shall be 35
considered: 36

(1) Securities issued in anticipation of the levy or 37
collection of special assessments, either in original or refunded 38
form; 39

(2) Securities issued in anticipation of the collection of 40
current revenues for the fiscal year or other period not to exceed 41
twelve consecutive months, or securities issued in anticipation of 42
the collection of the proceeds from a specifically identified 43
voter-approved tax levy; 44

(3) Securities issued for purposes described in section 45
133.12 of the Revised Code; 46

(4) Securities issued under Chapter 122., 140., 165., 725., 47
or 761. or section 131.23 of the Revised Code; 48

(5) Securities issued to pay final judgments or 49
court-approved settlements under authorizing laws and securities 50
issued under section 2744.081 of the Revised Code; 51

(6) Securities issued to pay costs of permanent improvements 52
to the extent they are issued in anticipation of the receipt of, 53
and are payable as to principal from, federal or state grants or 54
distributions for, or legally available for, that principal or for 55
the costs of those permanent improvements; 56

(7) Securities issued to evidence loans from the state 57
capital improvements fund pursuant to Chapter 164. of the Revised 58
Code or from the state infrastructure bank pursuant to section 59
5531.09 of the Revised Code; 60

(8) That percentage of the principal amount of general 61
obligation securities issued by a county, township, or municipal 62
corporation to pay the costs of permanent improvements equal to 63
the percentage of the debt charges on those securities payable 64
during the current fiscal year that the fiscal officer estimates 65
can be paid during the current fiscal year from payments in lieu 66
of taxes under section 1728.11, 1728.111, 5709.42, 5709.46, 67
5709.74, or 5709.79 of the Revised Code, and that the legislation 68
authorizing the issuance of the securities pledges or covenants 69
will be used for the payment of those debt charges; provided that 70
the amount excluded from consideration under division (B)(8) of 71
this section shall not exceed the lesser of thirty million dollars 72
or one-half per cent of the subdivision's tax valuation in the 73
case of a county or township, or one and one-tenth per cent of the 74
subdivision's tax valuation in the case of a municipal 75
corporation; 76

(9) Securities issued in an amount equal to the property tax 77
replacement payments received under section 5727.85 or 5727.86 of 78
the Revised Code; 79

(10) Securities issued in an amount equal to the property tax 80
replacement payments received under section 5751.21 or 5751.22 of 81
the Revised Code; 82

(11) Other securities, including self-supporting securities, 83
excepted by law from the calculation of net indebtedness or from 84
the application of this chapter; 85

(12) Any other securities outstanding on October 30, 1989, 86
and then excepted from the calculation of net indebtedness or from 87
the application of this chapter, and securities issued at any time 88
to fund or refund those securities. 89

Sec. 133.06. (A) A school district shall not incur, without a 90
vote of the electors, net indebtedness that exceeds an amount 91
equal to one-tenth of one per cent of its tax valuation, except as 92
provided in divisions (G) and (H) of this section and in division 93
(D) of section 3313.372 of the Revised Code, or as prescribed in 94
section 3318.052 or 3318.44 of the Revised Code, or as provided in 95
division (J) of this section. 96

(B) Except as provided in divisions (E), (F), and (I) of this 97
section, a school district shall not incur net indebtedness that 98
exceeds an amount equal to nine per cent of its tax valuation. 99

(C) A school district shall not submit to a vote of the 100
electors the question of the issuance of securities in an amount 101
that will make the district's net indebtedness after the issuance 102
of the securities exceed an amount equal to four per cent of its 103
tax valuation, unless the superintendent of public instruction, 104
acting under policies adopted by the state board of education, and 105
the tax commissioner, acting under written policies of the 106
commissioner, consent to the submission. A request for the 107
consents shall be made at least one hundred twenty days prior to 108
the election at which the question is to be submitted. 109

The superintendent of public instruction shall certify to the 110
district the superintendent's and the tax commissioner's decisions 111
within thirty days after receipt of the request for consents. 112

If the electors do not approve the issuance of securities at 113
the election for which the superintendent of public instruction 114
and tax commissioner consented to the submission of the question, 115
the school district may submit the same question to the electors 116
on the date that the next special election may be held under 117
section 3501.01 of the Revised Code without submitting a new 118
request for consent. If the school district seeks to submit the 119
same question at any other subsequent election, the district shall 120
first submit a new request for consent in accordance with this 121
division. 122

(D) In calculating the net indebtedness of a school district, 123
none of the following shall be considered: 124

(1) Securities issued to acquire school buses and other 125
equipment used in transporting pupils or issued pursuant to 126
division (D) of section 133.10 of the Revised Code; 127

(2) Securities issued under division (F) of this section, 128
under section 133.301 of the Revised Code, and, to the extent in 129
excess of the limitation stated in division (B) of this section, 130
under division (E) of this section; 131

(3) Indebtedness resulting from the dissolution of a joint 132
vocational school district under section 3311.217 of the Revised 133
Code, evidenced by outstanding securities of that joint vocational 134
school district; 135

(4) Loans, evidenced by any securities, received under 136
sections 3313.483, 3317.0210, and 3317.0211 of the Revised Code; 137

(5) Debt incurred under section 3313.374 of the Revised Code; 138

(6) Debt incurred pursuant to division (B)(5) of section 139
3313.37 of the Revised Code to acquire computers and related 140
hardware; 141

(7) Debt incurred under section 3318.042 of the Revised Code. 142

(E) A school district may become a special needs district as	143
to certain securities as provided in division (E) of this section.	144
(1) A board of education, by resolution, may declare its	145
school district to be a special needs district by determining both	146
of the following:	147
(a) The student population is not being adequately serviced	148
by the existing permanent improvements of the district.	149
(b) The district cannot obtain sufficient funds by the	150
issuance of securities within the limitation of division (B) of	151
this section to provide additional or improved needed permanent	152
improvements in time to meet the needs.	153
(2) The board of education shall certify a copy of that	154
resolution to the superintendent of public instruction with a	155
statistical report showing all of the following:	156
(a) The history of and a projection of the growth of the tax	157
valuation;	158
(b) The projected needs;	159
(c) The estimated cost of permanent improvements proposed to	160
meet such projected needs.	161
(3) The superintendent of public instruction shall certify	162
the district as an approved special needs district if the	163
superintendent finds both of the following:	164
(a) The district does not have available sufficient	165
additional funds from state or federal sources to meet the	166
projected needs.	167
(b) The projection of the potential average growth of tax	168
valuation during the next five years, according to the information	169
certified to the superintendent and any other information the	170
superintendent obtains, indicates a likelihood of potential	171
average growth of tax valuation of the district during the next	172

five years of an average of not less than one and one-half per 173
cent per year. The findings and certification of the 174
superintendent shall be conclusive. 175

(4) An approved special needs district may incur net 176
indebtedness by the issuance of securities in accordance with the 177
provisions of this chapter in an amount that does not exceed an 178
amount equal to the greater of the following: 179

(a) Twelve per cent of the sum of its tax valuation plus an 180
amount that is the product of multiplying that tax valuation by 181
the percentage by which the tax valuation has increased over the 182
tax valuation on the first day of the sixtieth month preceding the 183
month in which its board determines to submit to the electors the 184
question of issuing the proposed securities; 185

(b) Twelve per cent of the sum of its tax valuation plus an 186
amount that is the product of multiplying that tax valuation by 187
the percentage, determined by the superintendent of public 188
instruction, by which that tax valuation is projected to increase 189
during the next ten years. 190

(F) A school district may issue securities for emergency 191
purposes, in a principal amount that does not exceed an amount 192
equal to three per cent of its tax valuation, as provided in this 193
division. 194

(1) A board of education, by resolution, may declare an 195
emergency if it determines both of the following: 196

(a) School buildings or other necessary school facilities in 197
the district have been wholly or partially destroyed, or condemned 198
by a constituted public authority, or that such buildings or 199
facilities are partially constructed, or so constructed or planned 200
as to require additions and improvements to them before the 201
buildings or facilities are usable for their intended purpose, or 202
that corrections to permanent improvements are necessary to remove 203

or prevent health or safety hazards.	204
(b) Existing fiscal and net indebtedness limitations make	205
adequate replacement, additions, or improvements impossible.	206
(2) Upon the declaration of an emergency, the board of	207
education may, by resolution, submit to the electors of the	208
district pursuant to section 133.18 of the Revised Code the	209
question of issuing securities for the purpose of paying the cost,	210
in excess of any insurance or condemnation proceeds received by	211
the district, of permanent improvements to respond to the	212
emergency need.	213
(3) The procedures for the election shall be as provided in	214
section 133.18 of the Revised Code, except that:	215
(a) The form of the ballot shall describe the emergency	216
existing, refer to this division as the authority under which the	217
emergency is declared, and state that the amount of the proposed	218
securities exceeds the limitations prescribed by division (B) of	219
this section;	220
(b) The resolution required by division (B) of section 133.18	221
of the Revised Code shall be certified to the county auditor and	222
the board of elections at least one hundred days prior to the	223
election;	224
(c) The county auditor shall advise and, not later than	225
ninety-five days before the election, confirm that advice by	226
certification to, the board of education of the information	227
required by division (C) of section 133.18 of the Revised Code;	228
(d) The board of education shall then certify its resolution	229
and the information required by division (D) of section 133.18 of	230
the Revised Code to the board of elections not less than ninety	231
days prior to the election.	232
(4) Notwithstanding division (B) of section 133.21 of the	233

Revised Code, the first principal payment of securities issued 234
under this division may be set at any date not later than sixty 235
months after the earliest possible principal payment otherwise 236
provided for in that division. 237

(G)(1) The board of education may contract with an architect, 238
professional engineer, or other person experienced in the design 239
and implementation of energy conservation measures for an analysis 240
and recommendations pertaining to installations, modifications of 241
installations, or remodeling that would significantly reduce 242
energy consumption in buildings owned by the district. The report 243
shall include estimates of all costs of such installations, 244
modifications, or remodeling, including costs of design, 245
engineering, installation, maintenance, repairs, measurement and 246
verification of energy savings, and debt service, forgone residual 247
value of materials or equipment replaced by the energy 248
conservation measure, as defined by the Ohio school facilities 249
commission, a baseline analysis of actual energy consumption data 250
for the preceding three years with the utility baseline based on 251
only the actual energy consumption data for the preceding twelve 252
months, and estimates of the amounts by which energy consumption 253
and resultant operational and maintenance costs, as defined by the 254
commission, would be reduced. 255

If the board finds after receiving the report that the amount 256
of money the district would spend on such installations, 257
modifications, or remodeling is not likely to exceed the amount of 258
money it would save in energy and resultant operational and 259
maintenance costs over the ensuing fifteen years, the board may 260
submit to the commission a copy of its findings and a request for 261
approval to incur indebtedness to finance the making or 262
modification of installations or the remodeling of buildings for 263
the purpose of significantly reducing energy consumption. 264

The school facilities commission, in consultation with the 265

auditor of state, may deny a request under this division by the 266
board of education of any school district that is in a state of 267
fiscal watch pursuant to division (A) of section 3316.03 of the 268
Revised Code, if it determines that the expenditure of funds is 269
not in the best interest of the school district. 270

No district board of education of a school district that is 271
in a state of fiscal emergency pursuant to division (B) of section 272
3316.03 of the Revised Code shall submit a request without 273
submitting evidence that the installations, modifications, or 274
remodeling have been approved by the district's financial planning 275
and supervision commission established under section 3316.05 of 276
the Revised Code. 277

No board of education of a school district that, for three or 278
more consecutive years, has been declared to be in a state of 279
academic emergency under section 3302.03 of the Revised Code, as 280
that section existed prior to March 22, 2013, and has failed to 281
meet adequate yearly progress, or has met any condition set forth 282
in division (A)(2) or (3) of section 3302.10 of the Revised Code 283
shall submit a request without first receiving approval to incur 284
indebtedness from the district's academic distress commission 285
established under that section, for so long as such commission 286
continues to be required for the district. 287

(2) The school facilities commission shall approve the 288
board's request provided that the following conditions are 289
satisfied: 290

(a) The commission determines that the board's findings are 291
reasonable. 292

(b) The request for approval is complete. 293

(c) The installations, modifications, or remodeling are 294
consistent with any project to construct or acquire classroom 295
facilities, or to reconstruct or make additions to existing 296

classroom facilities under sections 3318.01 to 3318.20 or sections 297
3318.40 to 3318.45 of the Revised Code. 298

Upon receipt of the commission's approval, the district may 299
issue securities without a vote of the electors in a principal 300
amount not to exceed nine-tenths of one per cent of its tax 301
valuation for the purpose of making such installations, 302
modifications, or remodeling, but the total net indebtedness of 303
the district without a vote of the electors incurred under this 304
and all other sections of the Revised Code, except section 305
3318.052 of the Revised Code, shall not exceed one per cent of the 306
district's tax valuation. 307

(3) So long as any securities issued under this division 308
remain outstanding, the board of education shall monitor the 309
energy consumption and resultant operational and maintenance costs 310
of buildings in which installations or modifications have been 311
made or remodeling has been done pursuant to this division. Except 312
as provided in division (G)(4) of this section, the board shall 313
maintain and annually update a report in a form and manner 314
prescribed by the school facilities commission documenting the 315
reductions in energy consumption and resultant operational and 316
maintenance cost savings attributable to such installations, 317
modifications, or remodeling. The resultant operational and 318
maintenance cost savings shall be certified by the school district 319
treasurer. The report shall be submitted annually to the 320
commission. 321

(4) If the school facilities commission verifies that the 322
certified annual reports submitted to the commission by a board of 323
education under division (G)(3) of this section fulfill the 324
guarantee required under division (B) of section 3313.372 of the 325
Revised Code for three consecutive years, the board of education 326
shall no longer be subject to the annual reporting requirements of 327
division (G)(3) of this section. 328

(H) With the consent of the superintendent of public instruction, a school district may incur without a vote of the electors net indebtedness that exceeds the amounts stated in divisions (A) and (G) of this section for the purpose of paying costs of permanent improvements, if and to the extent that both of the following conditions are satisfied:

(1) The fiscal officer of the school district estimates that receipts of the school district from payments made under or pursuant to agreements entered into pursuant to section 725.02, 1728.10, 3735.671, 5709.081, 5709.082, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, or 5709.82 of the Revised Code, or distributions under division (C) of section 5709.43 or division (B) of section 5709.47 of the Revised Code, or any combination thereof, are, after accounting for any appropriate coverage requirements, sufficient in time and amount, and are committed by the proceedings, to pay the debt charges on the securities issued to evidence that indebtedness and payable from those receipts, and the taxing authority of the district confirms the fiscal officer's estimate, which confirmation is approved by the superintendent of public instruction;

(2) The fiscal officer of the school district certifies, and the taxing authority of the district confirms, that the district, at the time of the certification and confirmation, reasonably expects to have sufficient revenue available for the purpose of operating such permanent improvements for their intended purpose upon acquisition or completion thereof, and the superintendent of public instruction approves the taxing authority's confirmation.

The maximum maturity of securities issued under division (H) of this section shall be the lesser of twenty years or the maximum maturity calculated under section 133.20 of the Revised Code.

(I) A school district may incur net indebtedness by the issuance of securities in accordance with the provisions of this

chapter in excess of the limit specified in division (B) or (C) of 361
this section when necessary to raise the school district portion 362
of the basic project cost and any additional funds necessary to 363
participate in a project under Chapter 3318. of the Revised Code, 364
including the cost of items designated by the school facilities 365
commission as required locally funded initiatives, the cost of 366
other locally funded initiatives in an amount that does not exceed 367
fifty per cent of the district's portion of the basic project 368
cost, and the cost for site acquisition. The commission shall 369
notify the superintendent of public instruction whenever a school 370
district will exceed either limit pursuant to this division. 371

(J) A school district whose portion of the basic project cost 372
of its classroom facilities project under sections 3318.01 to 373
3318.20 of the Revised Code is greater than or equal to one 374
hundred million dollars may incur without a vote of the electors 375
net indebtedness in an amount up to two per cent of its tax 376
valuation through the issuance of general obligation securities in 377
order to generate all or part of the amount of its portion of the 378
basic project cost if the controlling board has approved the 379
school facilities commission's conditional approval of the project 380
under section 3318.04 of the Revised Code. The school district 381
board and the Ohio school facilities commission shall include the 382
dedication of the proceeds of such securities in the agreement 383
entered into under section 3318.08 of the Revised Code. No state 384
moneys shall be released for a project to which this section 385
applies until the proceeds of any bonds issued under this section 386
that are dedicated for the payment of the school district portion 387
of the project are first deposited into the school district's 388
project construction fund. 389

Sec. 709.024. (A) A petition filed under section 709.021 of 390
the Revised Code that requests to follow this section is for the 391
special procedure of annexing land into a municipal corporation 392

for the purpose of undertaking a significant economic development 393
project. As used in this section, "significant economic 394
development project" means one or more economic development 395
projects that can be classified as industrial, distribution, high 396
technology, research and development, or commercial, which 397
projects may include ancillary residential and retail uses and 398
which projects shall satisfy all of the following: 399

(1) Total private real and personal property investment in a 400
project shall be in excess of ten million dollars through land and 401
infrastructure, new construction, reconstruction, installation of 402
fixtures and equipment, or the addition of inventory, excluding 403
investment solely related to the ancillary residential and retail 404
elements, if any, of the project. As used in this division, 405
"private real and personal property investment" does not include 406
payments in lieu of taxes, however characterized, under Chapter 407
725. or 1728. or sections 5709.40 to 5709.43, 5709.45 to 5709.47, 408
5709.73 to 5709.75, or 5709.78 to 5709.81 of the Revised Code. 409

(2) There shall be created by the project an additional 410
annual payroll in excess of one million dollars, excluding payroll 411
arising solely out of the retail elements, if any, of the project. 412

(3) The project has been certified by the state director of 413
development as meeting the requirements of divisions (A)(1) and 414
(2) of this section. 415

(B) Upon the filing of the petition under section 709.021 of 416
the Revised Code in the office of the clerk of the board of county 417
commissioners, the clerk shall cause the petition to be entered 418
upon the journal of the board at its next regular session. This 419
entry shall be the first official act of the board on the 420
petition. Within five days after the filing of the petition, the 421
agent for the petitioners shall notify in the manner and form 422
specified in this division the clerk of the legislative authority 423

of the municipal corporation to which annexation is proposed, the 424
fiscal officer of each township any portion of which is included 425
within the territory proposed for annexation, the clerk of the 426
board of county commissioners of each county in which the 427
territory proposed for annexation is located other than the county 428
in which the petition is filed, and the owners of property 429
adjacent to the territory proposed for annexation or adjacent to a 430
road that is adjacent to that territory and located directly 431
across that road from that territory. The notice shall refer to 432
the time and date when the petition was filed and the county in 433
which it was filed and shall have attached or shall be accompanied 434
by a copy of the petition and any attachments or documents 435
accompanying the petition as filed. 436

Notice to a property owner is sufficient if sent by regular 437
United States mail to the tax mailing address listed on the county 438
auditor's records. Notice to the appropriate government officer 439
shall be given by certified mail, return receipt requested, or by 440
causing the notice to be personally served on the officer, with 441
proof of service by affidavit of the person who delivered the 442
notice. Proof of service of the notice on each appropriate 443
government officer shall be filed with the board of county 444
commissioners with which the petition was filed. 445

(C)(1) Within thirty days after the petition is filed, the 446
legislative authority of the municipal corporation to which 447
annexation is proposed and each township any portion of which is 448
included within the territory proposed for annexation may adopt 449
and file with the board of county commissioners an ordinance or 450
resolution consenting or objecting to the proposed annexation. An 451
objection to the proposed annexation shall be based solely upon 452
the petition's failure to meet the conditions specified in 453
division (F) of this section. Failure of the municipal corporation 454
or any of those townships to timely file an ordinance or 455

resolution consenting or objecting to the proposed annexation 456
shall be deemed to constitute consent by that municipal 457
corporation or township to the proposed annexation. 458

(2) Within twenty days after receiving the notice required by 459
division (B) of this section, the legislative authority of the 460
municipal corporation shall adopt, by ordinance or resolution, a 461
statement indicating what services the municipal corporation will 462
provide or cause to be provided, and an approximate date by which 463
it will provide or cause them to be provided, to the territory 464
proposed for annexation, upon annexation. If a hearing is to be 465
conducted under division (E) of this section, the legislative 466
authority shall file the statement with the clerk of the board of 467
county commissioners at least twenty days before the date of the 468
hearing. 469

(D) If all parties to the annexation proceedings consent to 470
the proposed annexation, a hearing shall not be held, and the 471
board, at its next regular session, shall enter upon its journal a 472
resolution granting the annexation. There is no appeal in law or 473
in equity from the board's entry of a resolution under this 474
division. The clerk of the board shall proceed as provided in 475
division (C)(1) of section 709.033 of the Revised Code. 476

(E) Unless the petition is granted under division (D) of this 477
section, a hearing shall be held on the petition. The board of 478
county commissioners shall hear the petition at its next regular 479
session and shall notify the agent for the petitioners of the 480
hearing's date, time, and place. The agent for the petitioners 481
shall give, within five days after receipt of the notice of the 482
hearing from the board, to the parties and property owners 483
entitled to notice under division (B) of this section, notice of 484
the date, time, and place of the hearing. Notice to a property 485
owner is sufficient if sent by regular United States mail to the 486
tax mailing address listed on the county auditor's records. At the 487

hearing, the parties and any owner of real estate within the 488
territory proposed to be annexed are entitled to appear for the 489
purposes described in division (C) of section 709.032 of the 490
Revised Code. 491

(F) Within thirty days after a hearing under division (E) of 492
this section, the board of county commissioners shall enter upon 493
its journal a resolution granting or denying the proposed 494
annexation. The resolution shall include specific findings of fact 495
as to whether or not each of the conditions listed in this 496
division has been met. If the board grants the annexation, the 497
clerk of the board shall proceed as provided in division (C)(1) of 498
section 709.033 of the Revised Code. 499

The board shall enter a resolution granting the annexation if 500
it finds, based upon a preponderance of the substantial, reliable, 501
and probative evidence on the whole record, that each of the 502
following conditions has been met: 503

(1) The petition meets all the requirements set forth in, and 504
was filed in the manner provided in, section 709.021 of the 505
Revised Code. 506

(2) The persons who signed the petition are owners of real 507
estate located in the territory proposed to be annexed in the 508
petition and constitute all of the owners of real estate in that 509
territory. 510

(3) No street or highway will be divided or segmented by the 511
boundary line between a township and the municipal corporation as 512
to create a road maintenance problem, or if the street or highway 513
will be so divided or segmented, the municipal corporation has 514
agreed, as a condition of the annexation, that it will assume the 515
maintenance of that street or highway. For the purposes of this 516
division, "street" or "highway" has the same meaning as in section 517
4511.01 of the Revised Code. 518

(4) The municipal corporation to which the territory is 519
proposed to be annexed has adopted an ordinance or resolution as 520
required by division (C)(2) of this section. 521

(5) The state director of development has certified that the 522
project meets the requirements of divisions (A)(1) and (2) of this 523
section and thereby qualifies as a significant economic 524
development project. The director's certification is binding on 525
the board of county commissioners. 526

(G) An owner who signed the petition may appeal a decision of 527
the board of county commissioners denying the proposed annexation 528
under section 709.07 of the Revised Code. No other person has 529
standing to appeal the board's decision in law or in equity. If 530
the board grants the annexation, there shall be no appeal in law 531
or in equity. 532

(H) Notwithstanding anything to the contrary in section 533
503.07 of the Revised Code, unless otherwise provided in an 534
annexation agreement entered into pursuant to section 709.192 of 535
the Revised Code or in a cooperative economic development 536
agreement entered into pursuant to section 701.07 of the Revised 537
Code, territory annexed into a municipal corporation pursuant to 538
this section shall not at any time be excluded from the township 539
under section 503.07 of the Revised Code and, thus, remains 540
subject to the township's real property taxes. 541

(I) A municipal corporation to which annexation is proposed 542
is entitled in its sole discretion to provide to the territory 543
proposed for annexation, upon annexation, services in addition to 544
the services described in the ordinance or resolution adopted by 545
the legislative authority of the municipal corporation under 546
division (C)(2) of this section. 547

Sec. 709.19. (A) As used in this section: 548

(1) "International airport" means any airport that is:	549
(a) Designated as an international airport or a landing rights airport by the United States secretary of the treasury;	550
(b) Owned and operated by a municipal corporation;	551
(c) An unincorporated area not contiguous to the municipal corporation that owns it.	552
(2) "Commercial," "industrial," "residential," and "retail," in relation to property, mean property classified as such by the tax commissioner for the purposes of valuing property for taxation, except that "commercial," in relation to property, does not include any property classified as "retail."	553
(B) If unincorporated territory is annexed to a municipal corporation and excluded from a township under section 503.07 of the Revised Code, upon exclusion of that territory, the municipal corporation that annexed the territory shall make payments to the township from which the territory was annexed only as provided in this section, except that, if the legislative authority of the municipal corporation enters into an agreement under section 701.07, 709.191, or 709.192 of the Revised Code with the township from which the territory was annexed that makes alternate provisions regarding payments by the municipal corporation, then the payment provisions in that agreement shall apply in lieu of the provisions of this section.	554
(C)(1) Except as provided in division (C)(2) of this section, the municipal corporation that annexed the territory shall make the following payments to the township from which the territory was annexed with respect to commercial and industrial real, personal, and public utility property taxes using the property valuation for the year that the payment is due:	555
(a) In the first through third years following the annexation and exclusion of the territory from the township, eighty per cent	556

of the township taxes in the annexed territory that would have 580
been due the township for commercial and industrial real, 581
personal, and public utility property taxes if no annexation had 582
occurred; 583

(b) In the fourth and fifth years following the annexation 584
and the exclusion of the territory from the township, sixty-seven 585
and one-half per cent of the township taxes in the annexed 586
territory that would have been due the township for commercial and 587
industrial real, personal, and public utility property taxes if no 588
annexation had occurred; 589

(c) In the sixth and seventh years following the annexation 590
and exclusion of the territory from the township, sixty-two and 591
one-half per cent of the township taxes in the annexed territory 592
that would have been due the township for commercial and 593
industrial real, personal, and public utility property taxes if no 594
annexation had occurred; 595

(d) In the eighth and ninth years following the annexation 596
and exclusion of the territory from the township, fifty-seven and 597
one-half per cent of the township taxes in the annexed territory 598
that would have been due the township for commercial and 599
industrial real, personal, and public utility property taxes if no 600
annexation had occurred; 601

(e) In the tenth through twelfth years following the 602
annexation and exclusion of the territory from the township, 603
forty-two and one-half per cent of the township taxes in the 604
annexed territory that would have been due the township for 605
commercial and industrial real, personal, and public utility 606
property taxes if no annexation had occurred. 607

(2) If there has been an exemption by the municipal 608
corporation of commercial and industrial real, personal, or public 609
utility property taxes pursuant to section 725.02, 1728.10, 610

3735.67, 5709.40, 5709.41, 5709.45, 5709.62, or 5709.88 of the 611
Revised Code, there shall be no reduction in the payments owed to 612
the township due to that exemption. The municipal corporation 613
shall make payments to the township under division (C)(1) of this 614
section, calculated as if the exemption had not occurred. 615

(D) The municipal corporation that annexed the territory 616
shall make the following payments to the township from which the 617
territory was annexed with respect to residential and retail real 618
property taxes using the property valuation for the year that the 619
payment is due: 620

(1) In the first through third years following the annexation 621
and exclusion of the territory from the township, eighty per cent 622
of the township taxes in the annexed territory that would have 623
been due the township for residential and retail real property 624
taxes if no annexation had occurred; 625

(2) In the fourth and fifth years following the annexation 626
and exclusion of the territory from the township, fifty-two and 627
one-half per cent of the township taxes in the annexed territory 628
that would have been due the township for residential and retail 629
real property taxes if no annexation had occurred; 630

(3) In the sixth through tenth years following the annexation 631
and exclusion of the territory from the township, forty per cent 632
of the township taxes in the annexed territory that would have 633
been due the township for residential and retail real property 634
taxes if no annexation had occurred; 635

(4) In the eleventh and twelfth years following the 636
annexation and exclusion of the territory from the township, 637
twenty-seven and one-half per cent of the township taxes in the 638
annexed territory that would have been due the township for 639
residential and retail real property taxes if no annexation had 640
occurred. 641

(E) If, pursuant to division (F) of this section, a municipal corporation annexes an international airport that it owns, the municipal corporation shall pay the township one hundred per cent of the township taxes in the annexed territory that would have been due the township if no annexation had occurred for each of the twenty-five years following the annexation.

(F)(1) Notwithstanding any other provision of this chapter, a board of county commissioners may authorize a municipal corporation to annex an international airport that the municipal corporation owns. Unless a contract is entered into pursuant to division (F)(2) of this section, any municipal corporation that annexes an international airport under this division shall make payments to the township from which the international airport is annexed, in the manner provided in division (E) of this section. No territory annexed pursuant to this division shall be considered part of the municipal corporation for the purposes of subsequent annexation, except that the board of county commissioners may authorize subsequent annexation under this division if the board determines that subsequent annexation is necessary to the continued operation of the international airport.

(2) The chief executive of a municipal corporation that annexes territory pursuant to this division may enter into a contract with the board of township trustees of the township that loses the territory whereby the township agrees to provide the annexed territory with police, fire, or other services it is authorized to provide in exchange for specified consideration as agreed upon by the board of township trustees and the chief executive. In no instance shall the consideration received by the township be less than the payments that would be required under division (F)(1) of this section if no contract were entered into.

Sec. 1710.14. The board of directors of a special improvement

district in which all or part of a downtown redevelopment district 673
is located may accept contributions from the municipal corporation 674
that created the downtown redevelopment district pursuant to 675
division (D)(2) of section 5709.45 of the Revised Code. The board 676
shall use all such contributions to promote the downtown 677
redemption district to potential business patrons, to recruit 678
businesses to relocate or expand to the downtown redevelopment 679
district, and to attract and promote events and activities that 680
generate revenue or enhance public welfare within the downtown 681
redemption district. The board shall periodically report to the 682
legislative authority of the municipal corporation on the 683
expenditure of the contributions and plans for the utilization of 684
future contributions. If any contributions received by a special 685
improvement district under this section remain after the 686
dissolution or expiration of the downtown redevelopment district, 687
the board shall pay the remaining amount to the contributing 688
municipal corporation, which shall credit the money to its general 689
fund. 690

Sec. 1724.12. The board of directors of a community 691
improvement corporation in which all or a part of a downtown 692
redemption district is located may accept contributions from 693
the municipal corporation that created the district pursuant to 694
division (D)(2) of section 5709.45 of the Revised Code. The board 695
shall use all such contributions to promote the downtown 696
redemption district to potential business patrons, to recruit 697
businesses to relocate or expand to the downtown redevelopment 698
district, and to attract and promote events and activities that 699
generate revenue or enhance public welfare within the downtown 700
redemption district. The board shall periodically report to the 701
legislative authority of the municipal corporation on the 702
expenditure of the contributions and plans for the utilization of 703

future contributions. If any contributions received by a community 704
improvement corporation under this section remain after the 705
dissolution or expiration of the downtown redevelopment district, 706
the board shall pay the remaining amount to the contributing 707
municipal corporation, which shall credit the money to its general 708
fund. 709

Sec. 3317.021. (A) On or before the first day of June of each 710
year, the tax commissioner shall certify to the department of 711
education and the office of budget and management the information 712
described in divisions (A)(1) to (5) of this section for each 713
city, exempted village, and local school district, and the 714
information required by divisions (A)(1) and (2) of this section 715
for each joint vocational school district, and it shall be used, 716
along with the information certified under division (B) of this 717
section, in making the computations for the district under this 718
chapter. 719

(1) The taxable value of real and public utility real 720
property in the school district subject to taxation in the 721
preceding tax year, by class and by county of location. 722

(2) The taxable value of tangible personal property, 723
including public utility personal property, subject to taxation by 724
the district for the preceding tax year. 725

(3)(a) The total property tax rate and total taxes charged 726
and payable for the current expenses for the preceding tax year 727
and the total property tax rate and the total taxes charged and 728
payable to a joint vocational district for the preceding tax year 729
that are limited to or to the extent apportioned to current 730
expenses. 731

(b) The portion of the amount of taxes charged and payable 732
reported for each city, local, and exempted village school 733

district under division (A)(3)(a) of this section attributable to 734
a joint vocational school district. 735

(4) The value of all real and public utility real property in 736
the school district exempted from taxation minus both of the 737
following: 738

(a) The value of real and public utility real property in the 739
district owned by the United States government and used 740
exclusively for a public purpose; 741

(b) The value of real and public utility real property in the 742
district exempted from taxation under Chapter 725. or 1728. or 743
section 3735.67, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 744
5709.632, 5709.73, or 5709.78 of the Revised Code. 745

(5) The total federal adjusted gross income of the residents 746
of the school district, based on tax returns filed by the 747
residents of the district, for the most recent year for which this 748
information is available, and the median Ohio adjusted gross 749
income of the residents of the school district determined on the 750
basis of tax returns filed for the second preceding tax year by 751
the residents of the district. 752

(B) On or before the first day of May each year, the tax 753
commissioner shall certify to the department of education and the 754
office of budget and management the total taxable real property 755
value of railroads and, separately, the total taxable tangible 756
personal property value of all public utilities for the preceding 757
tax year, by school district and by county of location. 758

(C) If a public utility has properly and timely filed a 759
petition for reassessment under section 5727.47 of the Revised 760
Code with respect to an assessment issued under section 5727.23 of 761
the Revised Code affecting taxable property apportioned by the tax 762
commissioner to a school district, the taxable value of public 763
utility tangible personal property included in the certification 764

under divisions (A)(2) and (B) of this section for the school 765
district shall include only the amount of taxable value on the 766
basis of which the public utility paid tax for the preceding year 767
as provided in division (B)(1) or (2) of section 5727.47 of the 768
Revised Code. 769

(D) If on the basis of the information certified under 770
division (A) of this section, the department determines that any 771
district fails in any year to meet the qualification requirement 772
specified in division (A) of section 3317.01 of the Revised Code, 773
the department shall immediately request the tax commissioner to 774
determine the extent to which any school district income tax 775
levied by the district under Chapter 5748. of the Revised Code 776
shall be included in meeting that requirement. Within five days of 777
receiving such a request from the department, the tax commissioner 778
shall make the determination required by this division and report 779
the quotient obtained under division (D)(3) of this section to the 780
department and the office of budget and management. This quotient 781
represents the number of mills that the department shall include 782
in determining whether the district meets the qualification 783
requirement of division (A) of section 3317.01 of the Revised 784
Code. 785

The tax commissioner shall make the determination required by 786
this division as follows: 787

(1) Multiply one mill times the total taxable value of the 788
district as determined in divisions (A)(1) and (2) of this 789
section; 790

(2) Estimate the total amount of tax liability for the 791
current tax year under taxes levied by Chapter 5748. of the 792
Revised Code that are apportioned to current operating expenses of 793
the district, excluding any income tax receipts allocated for the 794
project cost, debt service, or maintenance set-aside associated 795
with a state-assisted classroom facilities project as authorized 796

by section 3318.052 of the Revised Code; 797

(3) Divide the amount estimated under division (D)(2) of this 798
section by the product obtained under division (D)(1) of this 799
section. 800

Sec. 5501.311. (A) Notwithstanding sections 123.01 and 127.16 801
of the Revised Code the director of transportation may lease or 802
lease-purchase all or any part of a transportation facility to or 803
from one or more persons, one or more governmental agencies, a 804
transportation improvement district, or any combination thereof, 805
and may grant leases, easements, or licenses for lands under the 806
control of the department of transportation. The director may 807
adopt rules necessary to give effect to this section. 808
809

(B) Plans and specifications for the construction of a 810
transportation facility under a lease or lease-purchase agreement 811
are subject to approval of the director and must meet or exceed 812
all applicable standards of the department. 813

(C) Any lease or lease-purchase agreement under which the 814
department is the lessee shall be for a period not exceeding the 815
then current two-year period for which appropriations have been 816
made by the general assembly to the department, and such agreement 817
may contain such other terms as the department and the other 818
parties thereto agree, notwithstanding any other provision of law, 819
including provisions that rental payments in amounts sufficient to 820
pay bond service charges payable during the current two-year lease 821
term shall be an absolute and unconditional obligation of the 822
department independent of all other duties under the agreement 823
without set-off or deduction or any other similar rights or 824
defenses. Any such agreement may provide for renewal of the 825
agreement at the end of each term for another term, not exceeding 826
two years, provided that no renewal shall be effective until the 827

effective date of an appropriation enacted by the general assembly 828
from which the department may lawfully pay rentals under such 829
agreement. Any such agreement may include, without limitation, any 830
agreement by the department with respect to any costs of 831
transportation facilities to be included prior to acquisition and 832
construction of such transportation facilities. Any such agreement 833
shall not constitute a debt or pledge of the faith and credit of 834
the state, or of any political subdivision of the state, and the 835
lessor shall have no right to have taxes or excises levied by the 836
general assembly, or the taxing authority of any political 837
subdivision of the state, for the payment of rentals thereunder. 838
Any such agreement shall contain a statement to that effect. 839

(D) A municipal corporation, township, or county may use 840
service payments in lieu of taxes credited to special funds or 841
accounts pursuant to sections 5709.43, 5709.47, 5709.75, and 842
5709.80 of the Revised Code to provide its contribution to the 843
cost of a transportation facility, provided such facility was 844
among the purposes for which such service payments were 845
authorized. The contribution may be in the form of a lump sum or 846
periodic payments. 847

(E) Pursuant to the "Telecommunications Act of 1996," 110 848
Stat. 152, 47 U.S.C. 332 note, the director may grant a lease, 849
easement, or license in a transportation facility to a 850
telecommunications service provider for construction, placement, 851
or operation of a telecommunications facility. An interest granted 852
under this division is subject to all of the following conditions: 853

(1) The transportation facility is owned in fee simple or 854
easement by this state at the time the lease, easement, or license 855
is granted to the telecommunications provider. 856

(2) The lease, easement, or license shall be granted on a 857
competitive basis in accordance with policies and procedures to be 858
determined by the director. The policies and procedures may 859

include provisions for master leases for multiple sites. 860

(3) The telecommunications facility shall be designed to 861
accommodate the state's multi-agency radio communication system, 862
the intelligent transportation system, and the department's 863
communication system as the director may determine is necessary 864
for highway or other departmental purposes. 865

(4) The telecommunications facility shall be designed to 866
accommodate such additional telecommunications equipment as may 867
feasibly be co-located thereon as determined in the discretion of 868
the director. 869

(5) The telecommunications service providers awarded the 870
lease, easement, or license, agree to permit other 871
telecommunications service providers to co-locate on the 872
telecommunications facility, and agree to the terms and conditions 873
of the co-location as determined in the discretion of the 874
director. 875

(6) The director shall require indemnity agreements in favor 876
of the department as a condition of any lease, easement, or 877
license granted under this division. Each indemnity agreement 878
shall secure this state and its agents from liability for damages 879
arising out of safety hazards, zoning, and any other matter of 880
public interest the director considers necessary. 881

(7) The telecommunications service provider fully complies 882
with any permit issued under section 5515.01 of the Revised Code 883
pertaining to land that is the subject of the lease, easement, or 884
license. 885

(8) All plans and specifications shall meet with the 886
director's approval. 887

(9) Any other conditions the director determines necessary. 888

(F) In accordance with section 5501.031 of the Revised Code, 889

to further efforts to promote energy conservation and energy 890
efficiency, the director may grant a lease, easement, or license 891
in a transportation facility to a utility service provider that 892
has received its certificate from the Ohio power siting board or 893
appropriate local entity for construction, placement, or operation 894
of an alternative energy generating facility service provider as 895
defined in section 4928.64 of the Revised Code. An interest 896
granted under this division is subject to all of the following 897
conditions: 898

(1) The transportation facility is owned in fee simple or in 899
easement by this state at the time the lease, easement, or license 900
is granted to the utility service provider. 901

(2) The lease, easement, or license shall be granted on a 902
competitive basis in accordance with policies and procedures to be 903
determined by the director. The policies and procedures may 904
include provisions for master leases for multiple sites. 905

(3) The alternative energy generating facility shall be 906
designed to provide energy for the department's transportation 907
facilities with the potential for selling excess power on the 908
power grid, as the director may determine is necessary for highway 909
or other departmental purposes. 910

(4) The director shall require indemnity agreements in favor 911
of the department as a condition of any lease, easement, or 912
license granted under this division. Each indemnity agreement 913
shall secure this state from liability for damages arising out of 914
safety hazards, zoning, and any other matter of public interest 915
the director considers necessary. 916

(5) The alternative energy service provider fully complies 917
with any permit issued by the Ohio power siting board under 918
Chapter 4906. of the Revised Code and complies with section 919
5515.01 of the Revised Code pertaining to land that is the subject 920

of the lease, easement, or license. 921

(6) All plans and specifications shall meet with the 922
director's approval. 923

(7) Any other conditions the director determines necessary. 924

(G) Money the department receives under this section shall be 925
deposited into the state treasury to the credit of the highway 926
operating fund. 927

(H) A lease, easement, or license granted under division (E) 928
or (F) of this section, and any telecommunications facility or 929
alternative energy generating facility relating to such interest 930
in a transportation facility, is hereby deemed to further the 931
essential highway purpose of building and maintaining a safe, 932
energy-efficient, and accessible transportation system. 933

Sec. 5709.12. (A) As used in this section, "independent 934
living facilities" means any residential housing facilities and 935
related property that are not a nursing home, residential care 936
facility, or residential facility as defined in division (A) of 937
section 5701.13 of the Revised Code. 938

(B) Lands, houses, and other buildings belonging to a county, 939
township, or municipal corporation and used exclusively for the 940
accommodation or support of the poor, or leased to the state or 941
any political subdivision for public purposes shall be exempt from 942
taxation. Real and tangible personal property belonging to 943
institutions that is used exclusively for charitable purposes 944
shall be exempt from taxation, including real property belonging 945
to an institution that is a nonprofit corporation that receives a 946
grant under the Thomas Alva Edison grant program authorized by 947
division (C) of section 122.33 of the Revised Code at any time 948
during the tax year and being held for leasing or resale to 949
others. If, at any time during a tax year for which such property 950

is exempted from taxation, the corporation ceases to qualify for 951
such a grant, the director of development shall notify the tax 952
commissioner, and the tax commissioner shall cause the property to 953
be restored to the tax list beginning with the following tax year. 954
All property owned and used by a nonprofit organization 955
exclusively for a home for the aged, as defined in section 5701.13 956
of the Revised Code, also shall be exempt from taxation. 957

(C)(1) If a home for the aged described in division (B)(1) of 958
section 5701.13 of the Revised Code is operated in conjunction 959
with or at the same site as independent living facilities, the 960
exemption granted in division (B) of this section shall include 961
kitchen, dining room, clinic, entry ways, maintenance and storage 962
areas, and land necessary for access commonly used by both 963
residents of the home for the aged and residents of the 964
independent living facilities. Other facilities commonly used by 965
both residents of the home for the aged and residents of 966
independent living units shall be exempt from taxation only if the 967
other facilities are used primarily by the residents of the home 968
for the aged. Vacant land currently unused by the home, and 969
independent living facilities and the lands connected with them 970
are not exempt from taxation. Except as provided in division 971
(A)(1) of section 5709.121 of the Revised Code, property of a home 972
leased for nonresidential purposes is not exempt from taxation. 973

(2) Independent living facilities are exempt from taxation if 974
they are operated in conjunction with or at the same site as a 975
home for the aged described in division (B)(2) of section 5701.13 976
of the Revised Code; operated by a corporation, association, or 977
trust described in division (B)(1)(b) of that section; operated 978
exclusively for the benefit of members of the corporation, 979
association, or trust who are retired, aged, or infirm; and 980
provided to those members without charge in consideration of their 981
service, without compensation, to a charitable, religious, 982

fraternal, or educational institution. For the purposes of 983
division (C)(2) of this section, "compensation" does not include 984
furnishing room and board, clothing, health care, or other 985
necessities, or stipends or other de minimis payments to defray 986
the cost thereof. 987

(D)(1) A private corporation established under federal law, 988
as defined in 36 U.S.C. 1101, Pub. L. No. 102-199, 105 Stat. 1629, 989
as amended, the objects of which include encouraging the 990
advancement of science generally, or of a particular branch of 991
science, the promotion of scientific research, the improvement of 992
the qualifications and usefulness of scientists, or the increase 993
and diffusion of scientific knowledge is conclusively presumed to 994
be a charitable or educational institution. A private corporation 995
established as a nonprofit corporation under the laws of a state 996
that is exempt from federal income taxation under section 997
501(c)(3) of the Internal Revenue Code of 1986, 100 Stat. 2085, 26 998
U.S.C.A. 1, as amended, and that has as its principal purpose one 999
or more of the foregoing objects also is conclusively presumed to 1000
be a charitable or educational institution. 1001

The fact that an organization described in this division 1002
operates in a manner that results in an excess of revenues over 1003
expenses shall not be used to deny the exemption granted by this 1004
section, provided such excess is used, or is held for use, for 1005
exempt purposes or to establish a reserve against future 1006
contingencies; and, provided further, that such excess may not be 1007
distributed to individual persons or to entities that would not be 1008
entitled to the tax exemptions provided by this chapter. Nor shall 1009
the fact that any scientific information diffused by the 1010
organization is of particular interest or benefit to any of its 1011
individual members be used to deny the exemption granted by this 1012
section, provided that such scientific information is available to 1013
the public for purchase or otherwise. 1014

(2) Division (D)(2) of this section does not apply to real property exempted from taxation under this section and division (A)(3) of section 5709.121 of the Revised Code and belonging to a nonprofit corporation described in division (D)(1) of this section that has received a grant under the Thomas Alva Edison grant program authorized by division (C) of section 122.33 of the Revised Code during any of the tax years the property was exempted from taxation.

When a private corporation described in division (D)(1) of this section sells all or any portion of a tract, lot, or parcel of real estate that has been exempt from taxation under this section and section 5709.121 of the Revised Code, the portion sold shall be restored to the tax list for the year following the year of the sale and, except in connection with a sale and transfer of such a tract, lot, or parcel to a county land reutilization corporation organized under Chapter 1724. of the Revised Code, a charge shall be levied against the sold property in an amount equal to the tax savings on such property during the four tax years preceding the year the property is placed on the tax list. The tax savings equals the amount of the additional taxes that would have been levied if such property had not been exempt from taxation.

The charge constitutes a lien of the state upon such property as of the first day of January of the tax year in which the charge is levied and continues until discharged as provided by law. The charge may also be remitted for all or any portion of such property that the tax commissioner determines is entitled to exemption from real property taxation for the year such property is restored to the tax list under any provision of the Revised Code, other than sections 725.02, 1728.10, 3735.67, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.71, 5709.73, 5709.78, and 5709.84, upon an application for exemption covering the year such

property is restored to the tax list filed under section 5715.27 1047
of the Revised Code. 1048

(E) Real property held by an organization organized and 1049
operated exclusively for charitable purposes as described under 1050
section 501(c)(3) of the Internal Revenue Code and exempt from 1051
federal taxation under section 501(a) of the Internal Revenue 1052
Code, 26 U.S.C.A. 501(a) and (c)(3), as amended, for the purpose 1053
of constructing or rehabilitating residences for eventual transfer 1054
to qualified low-income families through sale, lease, or land 1055
installment contract, shall be exempt from taxation. 1056

The exemption shall commence on the day title to the property 1057
is transferred to the organization and shall continue to the end 1058
of the tax year in which the organization transfers title to the 1059
property to a qualified low-income family. In no case shall the 1060
exemption extend beyond the second succeeding tax year following 1061
the year in which the title was transferred to the organization. 1062
If the title is transferred to the organization and from the 1063
organization to a qualified low-income family in the same tax 1064
year, the exemption shall continue to the end of that tax year. 1065
The proportionate amount of taxes that are a lien but not yet 1066
determined, assessed, and levied for the tax year in which title 1067
is transferred to the organization shall be remitted by the county 1068
auditor for each day of the year that title is held by the 1069
organization. 1070

Upon transferring the title to another person, the 1071
organization shall file with the county auditor an affidavit 1072
affirming that the title was transferred to a qualified low-income 1073
family or that the title was not transferred to a qualified 1074
low-income family, as the case may be; if the title was 1075
transferred to a qualified low-income family, the affidavit shall 1076
identify the transferee by name. If the organization transfers 1077
title to the property to anyone other than a qualified low-income 1078

family, the exemption, if it has not previously expired, shall 1079
terminate, and the property shall be restored to the tax list for 1080
the year following the year of the transfer and a charge shall be 1081
levied against the property in an amount equal to the amount of 1082
additional taxes that would have been levied if such property had 1083
not been exempt from taxation. The charge constitutes a lien of 1084
the state upon such property as of the first day of January of the 1085
tax year in which the charge is levied and continues until 1086
discharged as provided by law. 1087

The application for exemption shall be filed as otherwise 1088
required under section 5715.27 of the Revised Code, except that 1089
the organization holding the property shall file with its 1090
application documentation substantiating its status as an 1091
organization organized and operated exclusively for charitable 1092
purposes under section 501(c)(3) of the Internal Revenue Code and 1093
its qualification for exemption from federal taxation under 1094
section 501(a) of the Internal Revenue Code, and affirming its 1095
intention to construct or rehabilitate the property for the 1096
eventual transfer to qualified low-income families. 1097

As used in this division, "qualified low-income family" means 1098
a family whose income does not exceed two hundred per cent of the 1099
official federal poverty guidelines as revised annually in 1100
accordance with section 673(2) of the "Omnibus Budget 1101
Reconciliation Act of 1981," 95 Stat. 511, 42 U.S.C.A. 9902, as 1102
amended, for a family size equal to the size of the family whose 1103
income is being determined. 1104

(F)(1)(a) Real property held by a county land reutilization 1105
corporation organized under Chapter 1724. of the Revised Code 1106
shall be exempt from taxation. Notwithstanding section 5715.27 of 1107
the Revised Code, a county land reutilization corporation is not 1108
required to apply to any county or state agency in order to 1109
qualify for the exemption. 1110

(b) Real property acquired or held by an electing subdivision 1111
other than a county land reutilization corporation on or after 1112
April 9, 2009, for the purpose of implementing an effective land 1113
reutilization program or for a related public purpose shall be 1114
exempt from taxation until sold or transferred by the electing 1115
subdivision. Notwithstanding section 5715.27 of the Revised Code, 1116
an electing subdivision is not required to apply to any county or 1117
state agency in order to qualify for an exemption with respect to 1118
property acquired or held for such purposes on or after such date, 1119
regardless of how the electing subdivision acquires the property. 1120

As used in this section, "electing subdivision" and "land 1121
reutilization program" have the same meanings as in section 1122
5722.01 of the Revised Code, and "county land reutilization 1123
corporation" means a county land reutilization corporation 1124
organized under Chapter 1724. of the Revised Code and any 1125
subsidiary wholly owned by such a county land reutilization 1126
corporation that is identified as "a wholly owned subsidiary of a 1127
county land reutilization corporation" in the deed of conveyance 1128
transferring title to the subsidiary. 1129

(2) An exemption authorized under division (F)(1) of this 1130
section shall commence on the day title to the property is 1131
transferred to the corporation or electing subdivision and shall 1132
continue to the end of the tax year in which the instrument 1133
transferring title from the corporation or subdivision to another 1134
owner is recorded, if the use to which the other owner puts the 1135
property does not qualify for an exemption under this section or 1136
any other section of the Revised Code. If the title to the 1137
property is transferred to the corporation and from the 1138
corporation, or to the subdivision and from the subdivision, in 1139
the same tax year, the exemption shall continue to the end of that 1140
tax year. The proportionate amount of taxes that are a lien but 1141
not yet determined, assessed, and levied for the tax year in which 1142

title is transferred to the corporation or subdivision shall be 1143
remitted by the county auditor for each day of the year that title 1144
is held by the corporation or subdivision. 1145

Upon transferring the title to another person, the 1146
corporation or electing subdivision shall file with the county 1147
auditor an affidavit or conveyance form affirming that the title 1148
was transferred to such other person and shall identify the 1149
transferee by name. If the corporation or subdivision transfers 1150
title to the property to anyone that does not qualify or the use 1151
to which the property is put does not qualify the property for an 1152
exemption under this section or any other section of the Revised 1153
Code, the exemption, if it has not previously expired, shall 1154
terminate, and the property shall be restored to the tax list for 1155
the year following the year of the transfer. A charge shall be 1156
levied against the property in an amount equal to the amount of 1157
additional taxes that would have been levied if such property had 1158
not been exempt from taxation. The charge constitutes a lien of 1159
the state upon such property as of the first day of January of the 1160
tax year in which the charge is levied and continues until 1161
discharged as provided by law. 1162

In lieu of the application for exemption otherwise required 1163
to be filed as required under section 5715.27 of the Revised Code, 1164
a county land reutilization corporation holding the property 1165
shall, upon the request of any county or state agency, submit its 1166
articles of incorporation substantiating its status as a county 1167
land reutilization corporation. 1168

(G) Real property that is owned by an organization described 1169
under section 501(c)(3) of the Internal Revenue Code and exempt 1170
from federal income taxation under section 501(a) of the Internal 1171
Revenue Code and that is used by that organization exclusively for 1172
receiving, processing, or distributing human blood, tissues, eyes, 1173
or organs or for research and development thereof shall be exempt 1174

from taxation. 1175

Sec. 5709.45. (A) As used in sections 5709.45 to 5709.47 of 1176
the Revised Code: 1177

(1) "Downtown redevelopment district" or "district" means an 1178
area not more than ten acres enclosed by a continuous boundary in 1179
which at least one historic building is being, or will be, 1180
rehabilitated. 1181

(2) "Historic building" and "rehabilitation" have the same 1182
meanings as in section 149.311 of the Revised Code. 1183

(3) "Public infrastructure improvement" has the same meaning 1184
as in section 5709.40 of the Revised Code. 1185

(4) "Improvement" means the increase in the assessed value of 1186
real property that would first appear on the tax list after the 1187
effective date of an ordinance adopted under this section were it 1188
not for the exemption granted by the ordinance. 1189

(B) For the purposes of promoting rehabilitation of historic 1190
buildings, creating jobs, and encouraging economic development in 1191
commercial and mixed-use commercial and residential areas, the 1192
legislative authority of a municipal corporation may adopt an 1193
ordinance creating a downtown redevelopment district and declaring 1194
improvements to parcels within the district to be a public purpose 1195
and exempt from taxation. Downtown redevelopment districts shall 1196
not be created in areas used exclusively for residential purposes 1197
and shall not be utilized for development or redevelopment of 1198
residential areas. 1199

The ordinance shall specify all of the following: 1200

(1) The boundary of the district; 1201

(2) The county treasurer's permanent parcel number associated 1202
with each parcel included in the district; 1203

<u>(3) The parcel or parcels within the district that include a</u>	1204
<u>historic building that is being or will be rehabilitated;</u>	1205
<u>(4) The proposed life of the district;</u>	1206
<u>(5) The percentage of improvements to be exempted from</u>	1207
<u>taxation;</u>	1208
<u>(6) An economic development plan for the district that</u>	1209
<u>includes all of the following:</u>	1210
<u>(a) A statement describing the principal purposes and goals</u>	1211
<u>to be served by creating the district;</u>	1212
<u>(b) An explanation of how the municipal corporation will</u>	1213
<u>collaborate with businesses and property owners within the</u>	1214
<u>district to develop strategies for achieving such purposes and</u>	1215
<u>goals;</u>	1216
<u>(c) An estimate of the annual amount of service payments</u>	1217
<u>provided for in section 5709.46 of the Revised Code that will be</u>	1218
<u>collected from owners of real property in the district;</u>	1219
<u>(d) A plan for using such service payments to promote</u>	1220
<u>economic development and job creation within the district.</u>	1221
<u>Not more than seventy per cent of improvements to parcels</u>	1222
<u>within a downtown redevelopment district may be exempted from</u>	1223
<u>taxation under this section. A district may not include a parcel</u>	1224
<u>that is or has been exempted from taxation under this section or</u>	1225
<u>section 5709.40 or 5709.41 of the Revised Code. Except as provided</u>	1226
<u>in division (E) of this section, the life of a downtown</u>	1227
<u>redemption district shall not exceed ten years.</u>	1228
<u>A municipal corporation may adopt more than one ordinance</u>	1229
<u>under division (B) of this section. A single such ordinance may</u>	1230
<u>create more than one downtown redevelopment district.</u>	1231
<u>(C) At least thirty days before adopting an ordinance under</u>	1232
<u>division (B) of this section, the legislative authority of the</u>	1233

municipal corporation shall conduct a public hearing on the 1234
proposed ordinance and the accompanying economic development plan. 1235
At least thirty days before the public hearing, the legislative 1236
authority shall give notice of the public hearing and the proposed 1237
ordinance by first class mail to every real property owner whose 1238
property is located within the boundaries of the proposed district 1239
that is the subject of the proposed ordinance. 1240

(D) Revenue derived from downtown redevelopment district 1241
service payments may be used by the municipal corporation for any 1242
of the following purposes: 1243

(1) To finance or support loans, deferred loans, or grants to 1244
owners of historic buildings within the downtown redevelopment 1245
district. Such loans or grants shall be awarded upon the condition 1246
that the loan or grant amount may be used by the owner only to 1247
rehabilitate the historic building. A municipal corporation that 1248
awards a loan or grant under this division shall develop a plan 1249
for tracking the loan or grant recipient's use of the loan or 1250
grant and monitoring the progress of the recipient's 1251
rehabilitation project. 1252

(2) To make contributions to a special improvement district 1253
for use under section 1710.14 of the Revised Code, to a community 1254
improvement corporation for use under section 1724.12 of the 1255
Revised Code, or to a nonprofit corporation, as defined in section 1256
1702.01 of the Revised Code, the primary purpose of which is 1257
redeveloping historic buildings and historic districts for use by 1258
the corporation to rehabilitate a historic building within the 1259
downtown redevelopment district or to otherwise promote or enhance 1260
the district. Amounts contributed under division (D)(2) of this 1261
section shall not exceed the property tax revenue that would have 1262
been generated by twenty per cent of the assessed value of the 1263
exempted improvements within the downtown redevelopment district. 1264

(3) If the service payments collected from owners of real 1265

property within the district in the preceding year exceed the 1266
estimate specified in the district's economic development plan 1267
under division (B)(6)(c) of this section, an amount equal to the 1268
excess collections may be used for the following purposes: 1269

(a) To finance or support loans to owners of one or more 1270
buildings located within the district that do not qualify as 1271
historic buildings. Such loans shall be awarded upon the condition 1272
that the loan amount may be used by the owner only to make repairs 1273
and improvements to the building or buildings. A municipal 1274
corporation that awards a loan under this division shall develop a 1275
plan for tracking the loan recipient's use of the loan and 1276
monitoring the progress of the recipient's repairs or 1277
improvements. 1278

(b) To finance public infrastructure improvements within the 1279
downtown redevelopment district. If revenue generated by the 1280
downtown redevelopment district will be used to finance public 1281
infrastructure improvements, the economic development plan 1282
described by division (B)(6) of this section shall identify 1283
specific projects that are being or will be undertaken within the 1284
district and describe how such infrastructure improvements will 1285
accommodate additional demands on the existing infrastructure 1286
within the district. A municipal corporation shall not use service 1287
payments derived from a downtown redevelopment district to repair 1288
or replace police or fire equipment. 1289

(E) Notwithstanding division (B) of this section, 1290
improvements to parcels located within a downtown redevelopment 1291
district may be exempted from taxation under this section for up 1292
to thirty years if any of the following apply: 1293

(1) The ordinance creating the redevelopment district 1294
specifies that payments in lieu of taxes shall be paid to the 1295
city, local, or exempted village, and joint vocational school 1296
district or districts in which the redevelopment district is 1297

located in the amount of the taxes that would have been payable to 1298
the school district or districts if the improvements had not been 1299
exempted from taxation. 1300

(2) The municipal corporation creating the district obtains 1301
the approval under division (F) of this section of the board of 1302
education of each city, local, and exempted village school 1303
district within which the district will be located. 1304

(F)(1) The legislative authority of a municipal corporation 1305
seeking the approval of a school district for the purpose of 1306
division (F)(2) of this section shall send notice of the proposed 1307
ordinance to the school district not later than forty-five 1308
business days before it intends to adopt the ordinance. The notice 1309
shall include a copy of the proposed ordinance and shall indicate 1310
the date on which the legislative authority intends to adopt the 1311
ordinance. The board of education of the school district, by 1312
resolution adopted by a majority of the board, may do any of the 1313
following: 1314

(a) Approve the exemption for the number of years specified 1315
in the proposed ordinance; 1316

(b) Disapprove the exemption for the number of years in 1317
excess of ten; 1318

(c) Approve the exemption on the condition that the 1319
legislative authority and the board negotiate an agreement 1320
providing for compensation to the school district equal in value 1321
to a percentage of the amount of taxes exempted in the eleventh 1322
and subsequent years of the exemption period or other mutually 1323
agreeable compensation. If an agreement is negotiated under this 1324
division, the legislative authority shall compensate all joint 1325
vocational school districts within which the downtown 1326
redevelopment district is located at the same rate and under the 1327
same terms received by the city, local, or exempted village school 1328

district. 1329

(2) The board of education shall certify a resolution adopted 1330
under division (F)(1) of this section to the legislative authority 1331
of the municipal corporation not later than fourteen days before 1332
the date the legislative authority intends to adopt the ordinance 1333
as indicated in the notice. If the board of education approves the 1334
ordinance or negotiates a mutually acceptable compensation 1335
agreement with the legislative authority, the legislative 1336
authority may enact the ordinance in its current form. If the 1337
board disapproves of the ordinance and fails to negotiate a 1338
mutually acceptable compensation agreement with the legislative 1339
authority, the legislative authority may exempt improvements to 1340
parcels within the downtown redevelopment district for not more 1341
than ten years. If the board fails to certify a resolution to the 1342
legislative authority within the time prescribed by this division, 1343
the legislative authority may adopt the ordinance and may exempt 1344
improvements to parcels within the downtown redevelopment district 1345
for the period of time specified in the notice delivered to the 1346
board of education. The legislative authority may adopt the 1347
ordinance at any time after the board of education certifies its 1348
resolution approving the exemption to the legislative authority, 1349
or, if the board approves the exemption on the condition that a 1350
mutually acceptable compensation agreement be negotiated, at any 1351
time after the compensation agreement is agreed to by the board 1352
and the legislative authority. 1353

(3) If a board of education has adopted a resolution waiving 1354
its right to approve exemptions from taxation under this section 1355
and the resolution remains in effect, approval of exemptions by 1356
the board is not required under division (F) of this section. If a 1357
board of education has adopted a resolution allowing a legislative 1358
authority to deliver the notice required under division (F)(1) of 1359
this section fewer than forty-five business days before the 1360

legislative authority's adoption of the ordinance, the legislative 1361
authority shall deliver the notice to the board not later than the 1362
number of days before such adoption as prescribed by the board in 1363
its resolution. If a board of education adopts a resolution 1364
waiving its right to approve agreements or shortening the 1365
notification period, the board shall certify a copy of the 1366
resolution to the legislative authority. If the board of education 1367
rescinds such a resolution, it shall certify notice of the 1368
rescission to the legislative authority. 1369

(4) If the legislative authority is not required by division 1370
(F) of this section to notify the board of education of the 1371
legislative authority's intent to create a downtown redevelopment 1372
district, the legislative authority shall comply with the notice 1373
requirements imposed under section 5709.83 of the Revised Code, 1374
unless the board has adopted a resolution under that section 1375
waiving its right to receive such a notice. 1376

(G) Service payments in lieu of taxes that are attributable 1377
to any amount by which the effective tax rate of either a renewal 1378
levy with an increase or a replacement levy exceeds the effective 1379
tax rate of the levy renewed or replaced, or that are attributable 1380
to an additional levy, for a levy authorized by the voters for any 1381
of the following purposes on or after January 1, 2006, and which 1382
are provided pursuant to an ordinance creating a downtown 1383
redevelopment district under division (B) of this section shall be 1384
distributed to the appropriate taxing authority as required under 1385
division (C) of section 5709.46 of the Revised Code in an amount 1386
equal to the amount of taxes from that additional levy or from the 1387
increase in the effective tax rate of such renewal or replacement 1388
levy that would have been payable to that taxing authority from 1389
the following levies were it not for the exemption authorized 1390
under division (B) of this section: 1391

(1) A tax levied under division (L) of section 5705.19 or 1392

<u>section 5705.191 of the Revised Code for community mental</u>	1393
<u>retardation and developmental disabilities programs and services</u>	1394
<u>pursuant to Chapter 5126. of the Revised Code;</u>	1395
<u>(2) A tax levied under division (Y) of section 5705.19 of the</u>	1396
<u>Revised Code for providing or maintaining senior citizens services</u>	1397
<u>or facilities;</u>	1398
<u>(3) A tax levied under section 5705.22 of the Revised Code</u>	1399
<u>for county hospitals;</u>	1400
<u>(4) A tax levied by a joint-county district or by a county</u>	1401
<u>under section 5705.19, 5705.191, or 5705.221 of the Revised Code</u>	1402
<u>for alcohol, drug addiction, and mental health services or</u>	1403
<u>facilities;</u>	1404
<u>(5) A tax levied under section 5705.23 of the Revised Code</u>	1405
<u>for library purposes;</u>	1406
<u>(6) A tax levied under section 5705.24 of the Revised Code</u>	1407
<u>for the support of children services and the placement and care of</u>	1408
<u>children;</u>	1409
<u>(7) A tax levied under division (Z) of section 5705.19 of the</u>	1410
<u>Revised Code for the provision and maintenance of zoological park</u>	1411
<u>services and facilities under section 307.76 of the Revised Code;</u>	1412
<u>(8) A tax levied under section 511.27 or division (H) of</u>	1413
<u>section 5705.19 of the Revised Code for the support of township</u>	1414
<u>park districts;</u>	1415
<u>(9) A tax levied under division (A), (F), or (H) of section</u>	1416
<u>5705.19 of the Revised Code for parks and recreational purposes of</u>	1417
<u>a joint recreation district organized pursuant to division (B) of</u>	1418
<u>section 755.14 of the Revised Code;</u>	1419
<u>(10) A tax levied under section 1545.20 or 1545.21 of the</u>	1420
<u>Revised Code for park district purposes;</u>	1421
<u>(11) A tax levied under section 5705.191 of the Revised Code</u>	1422

for the purpose of making appropriations for public assistance; 1423
human or social services; public relief; public welfare; public 1424
health and hospitalization; and support of general hospitals; 1425

(12) A tax levied under section 3709.29 of the Revised Code 1426
for a general health district program. 1427

(H) An exemption from taxation granted under this section 1428
commences with the tax year specified in the ordinance so long as 1429
the year specified in the ordinance commences after the effective 1430
date of the ordinance. If the ordinance specifies a year 1431
commencing before the effective date of the ordinance or specifies 1432
no year whatsoever, the exemption commences with the tax year in 1433
which an exempted improvement first appears on the tax list and 1434
that commences after the effective date of the ordinance. In lieu 1435
of stating a specific year, the ordinance may provide that the 1436
exemption commences in the tax year in which the value of an 1437
improvement exceeds a specified amount or in which the 1438
construction of one or more improvements is completed, provided 1439
that such tax year commences after the effective date of the 1440
ordinance. 1441

Except as otherwise provided in this division, the exemption 1442
ends on the date specified in the ordinance as the date the 1443
improvement ceases to be a public purpose or the downtown 1444
redevelopment district expires, whichever occurs first. The 1445
exemption of an improvement within a downtown redevelopment 1446
district may end on a later date, as specified in the ordinance, 1447
if the legislative authority and the board of education of the 1448
city, local, or exempted village school district within which the 1449
parcel or district is located have entered into a compensation 1450
agreement under section 5709.82 of the Revised Code with respect 1451
to the improvement, and the board of education has approved the 1452
term of the exemption under division (F) of this section, but in 1453
no case shall the improvement be exempted from taxation for more 1454

than thirty years. Exemptions shall be claimed and allowed in the 1455
same manner as in the case of other real property exemptions. If 1456
an exemption status changes during a year, the procedure for the 1457
apportionment of the taxes for that year is the same as in the 1458
case of other changes in tax exemption status during the year. 1459

(I) Additional municipal financing of the projects and 1460
services described in division (D) of this section may be provided 1461
by any methods that the municipal corporation may otherwise use 1462
for financing such projects and services. If the municipal 1463
corporation issues bonds or notes to finance such projects and 1464
services and pledges money from the municipal downtown 1465
redevelopment district fund to pay the interest on and principal 1466
of the bonds or notes, the bonds or notes are not subject to 1467
Chapter 133. of the Revised Code. 1468

(J) The municipal corporation, not later than fifteen days 1469
after the adoption of an ordinance under this section, shall 1470
submit to the director of development services a copy of the 1471
ordinance. On or before the thirty-first day of March of each 1472
year, the municipal corporation shall submit a status report to 1473
the director of development services. The report shall indicate, 1474
in the manner prescribed by the director, the progress of the 1475
projects and services during each year that an exemption remains 1476
in effect, including a summary of the receipts from service 1477
payments in lieu of taxes; expenditures of money from the funds 1478
created under section 5709.47 of the Revised Code; a description 1479
of the projects and services financed with such expenditures; and 1480
a quantitative summary of changes in employment and private 1481
investment resulting from each project and service. 1482

(K) Nothing in this section shall be construed to prohibit a 1483
legislative authority from declaring to be a public purpose 1484
improvements with respect to more than one parcel. 1485

(L)(1) The owner of real property located in a downtown 1486

redevelopment district may enter into an agreement with the 1487
municipal corporation that created the district to impose a 1488
redevelopment charge on the property. The agreement shall include 1489
the following: 1490

(a) The amount of the redevelopment charge. The redevelopment 1491
charge may be a fixed dollar amount or an amount determined on the 1492
basis of the assessed valuation of the property or all or part of 1493
the profits, gross receipts, or other revenues of a business 1494
operating on the property, including rentals received from leases 1495
of the property. 1496

(b) The termination date of the redevelopment charge. The 1497
redevelopment charge shall not be charged after the expiration or 1498
termination of the downtown redevelopment district. 1499

(c) The terms by which the municipal corporation shall 1500
collect the redevelopment charge. 1501

(d) The purposes for which the redevelopment charge may be 1502
used by the municipal corporation. The redevelopment charge shall 1503
be used only for those purposes described by division (D) of this 1504
section. The agreement may specify any or all of such purposes. 1505

(2) Redevelopment charges collected by a municipal 1506
corporation under division (L) of this section shall be deposited 1507
to the municipal downtown redevelopment district fund created 1508
under section 5709.47 of the Revised Code. 1509

(3) An agreement by a property owner under division (L) of 1510
this section is hereby deemed to be a covenant running with the 1511
land. The covenant is fully binding on behalf of and enforceable 1512
by the municipal corporation against any person acquiring an 1513
interest in the land and all of that person's successors and 1514
assigns. 1515

(4) No purchase agreement for real estate or any interest in 1516
real estate upon which a redevelopment charge is levied shall be 1517

enforceable by the seller or binding upon the purchaser unless the 1518
purchase agreement specifically refers to the redevelopment 1519
charge. If a conveyance of such real estate or interest in such 1520
real estate is made pursuant to a purchase agreement that does not 1521
make such reference, the redevelopment charge shall continue to be 1522
a covenant running with the land fully binding on behalf of and 1523
enforceable by the municipal corporation against the person 1524
accepting the conveyance pursuant to the purchase agreement. 1525

(5) If a redevelopment charge is not paid when due, the 1526
overdue amount shall be collected according to the terms of the 1527
agreement. If the agreement does not specify a procedure for 1528
collecting overdue redevelopment charges, the municipal 1529
corporation may certify the charge to the county auditor. The 1530
county auditor shall enter the unpaid charge on the tax list and 1531
duplicate of real property opposite the parcel against which it is 1532
charged and certify the charge to the county treasurer. The unpaid 1533
redevelopment charge is a lien on property against which it is 1534
charged from the date the charge is entered on the tax list, and 1535
shall be collected in the manner provided for the collection of 1536
real property taxes. Once the charge is collected, it shall be 1537
paid immediately to the municipal corporation. 1538

Sec. 5709.46. (A) A municipal corporation that has declared 1539
an improvement to be a public purpose under section 5709.45 of the 1540
Revised Code may require the owner of any structure located on the 1541
parcel to make annual service payments in lieu of taxes to the 1542
county treasurer on or before the final dates for payment of real 1543
property taxes. Each such payment shall be charged and collected 1544
in the same manner and in the same amount as the real property 1545
taxes that would have been charged and payable against the 1546
improvement if it were not exempt from taxation. If any reduction 1547
in the levies otherwise applicable to such exempt property is made 1548
by the county budget commission under section 5705.31 of the 1549

Revised Code, the amount of the service payment in lieu of taxes 1550
shall be calculated as if such reduction in levies had not been 1551
made. 1552

(B) Moneys collected as service payments in lieu of taxes 1553
shall be distributed at the same time and in the same manner as 1554
real property tax payments. However, subject to division (C) of 1555
this section or section 5709.913 of the Revised Code, the entire 1556
amount so collected shall be distributed to the municipal 1557
corporation in which the improvement is located. If an ordinance 1558
adopted under section 5709.45 of the Revised Code specifies that 1559
service payments shall be paid to the city, local, or exempted 1560
village school district in which the improvements are located, the 1561
county treasurer shall distribute the portion of the service 1562
payments to that school district in an amount equal to the 1563
property tax payments the school district would have received from 1564
the portion of the improvements exempted from taxation had the 1565
improvements not been exempted, as directed in the ordinance. The 1566
treasurer shall maintain a record of the service payments in lieu 1567
of taxes made from property in each municipal corporation. 1568

(C) If annual service payments in lieu of taxes are required 1569
under this section, the county treasurer shall distribute to the 1570
appropriate taxing authorities the portion of the service payments 1571
that represents payments required under division (E) of section 1572
5709.45 of the Revised Code. 1573

(D) Nothing in this section or section 5709.45 of the Revised 1574
Code affects the taxes levied against that portion of the value of 1575
any parcel of property that is not exempt from taxation. 1576

Sec. 5709.47. (A) A municipal corporation that grants a tax 1577
exemption or enters into a redevelopment charge agreement under 1578
section 5709.45 of the Revised Code shall establish a municipal 1579

downtown redevelopment district fund into which shall be deposited 1580
service payments in lieu of taxes distributed to the municipal 1581
corporation under section 5709.46 of the Revised Code and 1582
redevelopment charges collected pursuant to division (L) of 1583
section 5709.45 of the Revised Code. If an ordinance adopted under 1584
division (B) of section 5709.45 of the Revised Code or an 1585
agreement under division (L) of that section authorizes the use of 1586
service payments or redevelopment charges for more than one of the 1587
purposes described in division (D) of that section, the municipal 1588
corporation shall establish separate accounts for the service 1589
payments and redevelopment charges designated for each such 1590
purpose. Money in an account of the municipal downtown 1591
redevelopment district fund shall be used for the purposes 1592
described in the ordinance creating the downtown redevelopment 1593
district and the redevelopment charge agreements. The municipal 1594
corporation also may deposit into any of those accounts municipal 1595
income tax revenue that has been designated by ordinance to 1596
finance the public infrastructure improvements. 1597

(B)(1) A municipal corporation may distribute money in the 1598
municipal downtown redevelopment district fund to any school 1599
district in which the exempt property is located, in an amount not 1600
to exceed the amount of real property taxes that such school 1601
district would have received from the improvement if it were not 1602
exempt from taxation, or use money in the fund to finance specific 1603
public improvements benefiting the school district. The resolution 1604
or ordinance establishing the fund shall set forth the percentage 1605
of such maximum amount that will be distributed to any affected 1606
school district or used to finance specific public improvements 1607
benefiting the school district. 1608

(2) A municipal corporation also may distribute money in the 1609
municipal downtown redevelopment district fund to a county in 1610
accordance with section 5709.913 of the Revised Code. 1611

(C) Any incidental surplus remaining in the municipal 1612
downtown redevelopment district fund or an account of that fund, 1613
upon dissolution of the account or fund, shall be transferred to 1614
the general fund of the municipal corporation. 1615

Sec. 5709.82. (A) As used in this section: 1616

(1) "New employee" means both of the following: 1617

(a) Persons employed in the construction of real property 1618
exempted from taxation under the chapters or sections of the 1619
Revised Code enumerated in division (B) of this section; 1620

(b) Persons not described by division (A)(1)(a) of this 1621
section who are first employed at the site of such property and 1622
who within the two previous years have not been subject, prior to 1623
being employed at that site, to income taxation by the municipal 1624
corporation within whose territory the site is located on income 1625
derived from employment for the person's current employer. "New 1626
employee" does not include any person who replaces a person who is 1627
not a new employee under division (A)(1) of this section. 1628

(2) "Infrastructure costs" means costs incurred by a 1629
municipal corporation in a calendar year to acquire, construct, 1630
reconstruct, improve, plan, or equip real or tangible personal 1631
property that directly benefits or will directly benefit the 1632
exempted property. If the municipal corporation finances the 1633
acquisition, construction, reconstruction, improvement, planning, 1634
or equipping of real or tangible personal property that directly 1635
benefits the exempted property by issuing debt, "infrastructure 1636
costs" means the annual debt charges incurred by the municipal 1637
corporation from the issuance of such debt. Real or tangible 1638
personal property directly benefits exempted property only if the 1639
exempted property places or will place direct, additional demand 1640
on the real or tangible personal property for which such costs 1641
were or will be incurred. 1642

(3) "Taxing unit" has the same meaning as in division (H) of section 5705.01 of the Revised Code.

(B)(1) Except as otherwise provided under division (C) of this section, the legislative authority of any political subdivision that has acted under the authority of Chapter 725. or 1728., sections 3735.65 to 3735.70, or section 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 5709.84, or 5709.88 of the Revised Code to grant an exemption from taxation for real or tangible personal property may negotiate with the board of education of each city, local, exempted village, or joint vocational school district or other taxing unit within the territory of which the exempted property is located, and enter into an agreement whereby the school district or taxing unit is compensated for tax revenue foregone by the school district or taxing unit as a result of the exemption. Except as otherwise provided in division (B)(1) of this section, if a political subdivision enters into more than one agreement under this section with respect to a tax exemption, the political subdivision shall provide to each school district or taxing unit with which it contracts the same percentage of tax revenue foregone by the school district or taxing unit, which may be based on a good faith projection made at the time the exemption is granted. Such percentage shall be calculated on the basis of amounts paid by the political subdivision and any amounts paid by an owner under division (B)(2) of this section. A political subdivision may provide a school district or other taxing unit with a smaller percentage of foregone tax revenue than that provided to other school districts or taxing units only if the school district or taxing unit expressly consents in the agreement to receiving a smaller percentage. If a subdivision has acted under the authority of section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised Code and enters into a compensation agreement with a city, local, or exempted village school district, the subdivision shall

provide compensation to the joint vocational school district 1676
within the territory of which the exempted property is located at 1677
the same rate and under the same terms as received by the city, 1678
local, or exempted village school district. 1679

(2) An owner of property exempted from taxation under the 1680
authority described in division (B)(1) of this section may, by 1681
becoming a party to an agreement described in division (B)(1) of 1682
this section or by entering into a separate agreement with a 1683
school district or other taxing unit, agree to compensate the 1684
school district or taxing unit by paying cash or by providing 1685
property or services by gift, loan, or otherwise. If the owner's 1686
property is exempted under the authority of section 5709.40, 1687
5709.41, 5709.45, 5709.73, or 5709.78 of the Revised Code and the 1688
owner enters into a compensation agreement with a city, local, or 1689
exempted village school district, the owner shall provide 1690
compensation to the joint vocational school district within the 1691
territory of which the owner's property is located at the same 1692
rate and under the same terms as received by the city, local, or 1693
exempted village school district. 1694

(C) This division does not apply to the following: 1695

(1) The legislative authority of a municipal corporation that 1696
has acted under the authority of division (H) of section 715.70 or 1697
section 715.81 of the Revised Code to consent to the granting of 1698
an exemption from taxation for real or tangible personal property 1699
in a joint economic development district. 1700

(2) The legislative authority of a municipal corporation that 1701
has specified in an ordinance adopted under section 5709.40 ~~or~~, 1702
5709.41, or 5709.45 of the Revised Code that payments in lieu of 1703
taxes provided for under section 5709.42 or 5709.46 of the Revised 1704
Code shall be paid to the city, local, or exempted village school 1705
district in which the improvements are located in the amount of 1706
taxes that would have been payable to the school district if the 1707

improvements had not been exempted from taxation, as directed in 1708
the ordinance. 1709

If the legislative authority of any municipal corporation has 1710
acted under the authority of Chapter 725. or 1728. or section 1711
3735.671, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 1712
or 5709.88, or a housing officer under section 3735.67 of the 1713
Revised Code, to grant or consent to the granting of an exemption 1714
from taxation for real or tangible personal property on or after 1715
July 1, 1994, the municipal corporation imposes a tax on incomes, 1716
and the payroll of new employees resulting from the exercise of 1717
that authority equals or exceeds one million dollars in any tax 1718
year for which such property is exempted, the legislative 1719
authority and the board of education of each city, local, or 1720
exempted village school district within the territory of which the 1721
exempted property is located shall attempt to negotiate an 1722
agreement providing for compensation to the school district for 1723
all or a portion of the tax revenue the school district would have 1724
received had the property not been exempted from taxation. The 1725
agreement may include as a party the owner of the property 1726
exempted or to be exempted from taxation and may include 1727
provisions obligating the owner to compensate the school district 1728
by paying cash or providing property or services by gift, loan, or 1729
otherwise. Such an obligation is enforceable by the board of 1730
education of the school district pursuant to the terms of the 1731
agreement. 1732

If the legislative authority and board of education fail to 1733
negotiate an agreement that is mutually acceptable within six 1734
months of formal approval by the legislative authority of the 1735
instrument granting the exemption, the legislative authority shall 1736
compensate the school district in the amount and manner prescribed 1737
by division (D) of this section. 1738

(D) Annually, the legislative authority of a municipal 1739

corporation subject to this division shall pay to the city, local, 1740
or exempted village school district within the territory of which 1741
the exempted property is located an amount equal to fifty per cent 1742
of the difference between the amount of taxes levied and collected 1743
by the municipal corporation on the incomes of new employees in 1744
the calendar year ending on the day the payment is required to be 1745
made, and the amount of any infrastructure costs incurred in that 1746
calendar year. For purposes of such computation, the amount of 1747
infrastructure costs shall not exceed thirty-five per cent of the 1748
amount of those taxes unless the board of education of the school 1749
district, by resolution adopted by a majority of the board, 1750
approves an amount in excess of that percentage. If the amount of 1751
those taxes or infrastructure costs must be estimated at the time 1752
the payment is made, payments in subsequent years shall be 1753
adjusted to compensate for any departure of those estimates from 1754
the actual amount of those taxes. 1755

A municipal corporation required to make a payment under this 1756
section shall make the payment from its general fund or a special 1757
fund established for the purpose. The payment is payable on the 1758
thirty-first day of December of the tax year for or in which the 1759
exemption from taxation commences and on that day for each 1760
subsequent tax year property is exempted and the legislative 1761
authority and board fail to negotiate an acceptable agreement 1762
under division (C) of this section. 1763

Sec. 5709.83. (A) Except as otherwise provided in division 1764
(B) or (C) of this section, prior to taking formal action to adopt 1765
or enter into any instrument granting a tax exemption under 1766
section 725.02, 1728.06, 5709.40, 5709.41, 5709.45, 5709.62, 1767
5709.63, 5709.632, 5709.73, 5709.78, 5709.84, or 5709.88 of the 1768
Revised Code or formally approving an agreement under section 1769
3735.671 of the Revised Code, or prior to forwarding an 1770
application for a tax exemption for residential property under 1771

section 3735.67 of the Revised Code to the county auditor, the 1772
legislative authority of the political subdivision or housing 1773
officer shall notify the board of education of each city, local, 1774
exempted village, or joint vocational school district in which the 1775
proposed tax-exempted property is located. The notice shall 1776
include a copy of the instrument or application. The notice shall 1777
be delivered not later than fourteen days prior to the day the 1778
legislative authority takes formal action to adopt or enter into 1779
the instrument, or not later than fourteen days prior to the day 1780
the housing officer forwards the application to the county 1781
auditor. If the board of education comments on the instrument or 1782
application to the legislative authority or housing officer, the 1783
legislative authority or housing officer shall consider the 1784
comments. If the board of education of the city, local, exempted 1785
village, or joint vocational school district so requests, the 1786
legislative authority or the housing officer shall meet in person 1787
with a representative designated by the board of education to 1788
discuss the terms of the instrument or application. 1789

(B) The notice otherwise required to be provided to boards of 1790
education under division (A) of this section is not required if 1791
the board has adopted a resolution waiving its right to receive 1792
such notices, and that resolution remains in effect. If a board of 1793
education adopts such a resolution, the board shall cause a copy 1794
of the resolution to be certified to the legislative authority. If 1795
the board of education rescinds such a resolution, it shall 1796
certify notice of the rescission to the legislative authority. A 1797
board of education may adopt such a resolution with respect to any 1798
one or more counties, townships, or municipal corporations 1799
situated in whole or in part within the school district. 1800

(C) If a legislative authority is required to provide notice 1801
to a city, local, or exempted village school district of its 1802
intent to grant such an exemption as required by section 5709.40, 1803

5709.41, 5709.45, 5709.73, or 5709.78 of the Revised Code, the 1804
legislative authority, before adopting a resolution or ordinance 1805
under that section, shall notify the board of education of each 1806
joint vocational school district in which the property to be 1807
exempted is located using the same time requirements for the 1808
notice that applies to notices to city, local, and exempted 1809
village school districts. The content of the notice and procedures 1810
for responding to the notice are the same as required in division 1811
(A) of this section. 1812

Sec. 5709.831. (A) As used in this section: 1813

(1) "Exempted improvements" means improvements exempted from 1814
taxation under section 5709.40, 5709.41, 5709.45, 5709.73, or 1815
5709.78 of the Revised Code. 1816

(2) "Political subdivision" means the county, township, or 1817
municipal corporation granting an exemption from taxation under 1818
section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 1819
Revised Code. 1820

(B) The legislative authority of a political subdivision that 1821
grants an exemption from taxation for an improvement under section 1822
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised Code 1823
may require the owner of the improvement to reimburse the local 1824
taxing authorities within whose taxing jurisdiction the exempted 1825
improvement is located for the amount of real property taxes that 1826
would have been payable to the taxing authorities had the 1827
improvement not been exempted from taxation. If the legislative 1828
authority requires the owner of the exempted improvements to make 1829
payments in lieu of taxes, the legislative authority may require 1830
such reimbursement only to the extent that the owner failed to 1831
make those payments as required. The legislative authority may 1832
secure any reimbursement authorized by this section by a lien on 1833
the exempted property, which shall attach, and may be perfected, 1834

collected, and enforced, in the same manner as a mortgage lien on 1835
real property, and which shall otherwise have the same force and 1836
effect as a mortgage lien on real property. 1837

Sec. 5709.832. The legislative authority of a county, 1838
township, or municipal corporation that grants an exemption from 1839
taxation under Chapter 725. or 1728. or section 3735.67, 5709.40, 1840
5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, or 5709.78 1841
of the Revised Code shall develop policies to ensure that the 1842
recipient of the exemption practices nondiscriminatory hiring in 1843
its operations. As used in this section, "nondiscriminatory 1844
hiring" means that no individual may be denied employment solely 1845
on the basis of race, religion, sex, disability, color, national 1846
origin, or ancestry. 1847

Sec. 5709.85. (A) The legislative authority of a county, 1848
township, or municipal corporation that grants an exemption from 1849
taxation under Chapter 725. or 1728. or under section 3735.67, 1850
5709.28, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 1851
5709.73, or 5709.78 of the Revised Code shall create a tax 1852
incentive review council. The council shall consist of the 1853
following members: 1854

(1) In the case of a municipal corporation eligible to 1855
designate a zone under section 5709.62 of the Revised Code, the 1856
chief executive officer or that officer's designee; a member of 1857
the legislative authority of the municipal corporation, appointed 1858
by the president of the legislative authority or, if the chief 1859
executive officer of the municipal corporation is the president, 1860
appointed by the president pro tempore of the legislative 1861
authority; the county auditor or the county auditor's designee; 1862
the chief financial officer of the municipal corporation or that 1863
officer's designee; an individual appointed by the board of 1864
education of each city, local, exempted village, and joint 1865

vocational school district to which the instrument granting the 1866
exemption applies; and two members of the public appointed by the 1867
chief executive officer of the municipal corporation with the 1868
concurrence of the legislative authority. At least four members of 1869
the council shall be residents of the municipal corporation, and 1870
at least one of the two public members appointed by the chief 1871
executive officer shall be a minority. As used in division (A)(1) 1872
of this section, a "minority" is an individual who is 1873
African-American, Hispanic, or Native American. 1874

(2) In the case of a county or a municipal corporation that 1875
is not eligible to designate a zone under section 5709.62 or 1876
5709.632 of the Revised Code, three members appointed by the board 1877
of county commissioners; two members from each municipal 1878
corporation to which the instrument granting the tax exemption 1879
applies, appointed by the chief executive officer with the 1880
concurrence of the legislative authority of the respective 1881
municipal corporations; two members of each township to which the 1882
instrument granting the tax exemption applies, appointed by the 1883
board of township trustees of the respective townships; the county 1884
auditor or the county auditor's designee; and an individual 1885
appointed by the board of education of each city, local, exempted 1886
village, and joint vocational school district to which the 1887
instrument granting the tax exemption applies. At least two 1888
members of the council shall be residents of the municipal 1889
corporations or townships to which the instrument granting the tax 1890
exemption applies. 1891

(3) In the case of a township in which improvements are 1892
declared a public purpose under section 5709.73 of the Revised 1893
Code, the board of township trustees; the county auditor or the 1894
county auditor's designee; and an individual appointed by the 1895
board of education of each city, local, exempted village, and 1896
joint vocational school district to which the instrument granting 1897

the exemption applies. 1898

(B) The county auditor or the county auditor's designee shall 1899
serve as the chairperson of the council. The council shall meet at 1900
the call of the chairperson. At the first meeting of the council, 1901
the council shall select a vice-chairperson. Attendance by a 1902
majority of the members of the council constitutes a quorum to 1903
conduct the business of the council. 1904

(C)(1) Annually, the tax incentive review council shall 1905
review all agreements granting exemptions from property taxation 1906
under Chapter 725. or 1728. or under section 3735.671, 5709.28, 1907
5709.62, 5709.63, or 5709.632 of the Revised Code, and any 1908
performance or audit reports required to be submitted pursuant to 1909
those agreements. The review shall include agreements granting 1910
such exemptions that were entered into prior to July 22, 1994, 1911
that continue to be in force and applicable to the current year's 1912
property taxes. 1913

With respect to each agreement, other than an agreement 1914
entered into under section 5709.28 of the Revised Code, the 1915
council shall determine whether the owner of the exempted property 1916
has complied with the agreement, and may take into consideration 1917
any fluctuations in the business cycle unique to the owner's 1918
business. 1919

With respect to an agreement entered into under section 1920
5709.28 of the Revised Code, the council shall consist of the 1921
members described in division (A)(2) of this section and shall 1922
determine whether the agreement complies with the requirements of 1923
section 5709.28 of the Revised Code and whether a withdrawal, 1924
removal, or conversion of land from an agricultural security area 1925
established under Chapter 931. of the Revised Code has occurred in 1926
a manner that makes the exempted property no longer eligible for 1927
the exemption. 1928

On the basis of the determinations, on or before the first 1929
day of September of each year, the council shall submit to the 1930
legislative authority written recommendations for continuation, 1931
modification, or cancellation of each agreement. 1932

(2) Annually, the tax incentive review council shall review 1933
all exemptions from property taxation resulting from the 1934
declaration of public purpose improvements pursuant to section 1935
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 1936
Code. The review shall include such exemptions that were granted 1937
prior to July 22, 1994, that continue to be in force and 1938
applicable to the current year's property taxes. With respect to 1939
each improvement for which an exemption is granted, the council 1940
shall determine the increase in the true value of parcels of real 1941
property on which improvements have been undertaken as a result of 1942
the exemption; the value of improvements exempted from taxation as 1943
a result of the exemption; and the number of new employees or 1944
employees retained on the site of the improvement as a result of 1945
the exemption. 1946

Upon the request of a tax incentive review council, the 1947
county auditor, the housing officer appointed pursuant to section 1948
3735.66 of the Revised Code, the owner of a new or remodeled 1949
structure or improvement, and the legislative authority of the 1950
county, township, or municipal corporation granting the exemption 1951
shall supply the council with any information reasonably necessary 1952
for the council to make the determinations required under division 1953
(C) of this section, including returns or reports filed pursuant 1954
to sections 5711.02, 5711.13, and 5727.08 of the Revised Code. 1955

(D) Annually, the tax incentive review council shall review 1956
the compliance of each recipient of a tax exemption under Chapter 1957
725. or 1728. or section 3735.67, 5709.40, 5709.41, 5709.45, 1958
5709.62, 5709.63, 5709.632, 5709.73, or 5709.78 of the Revised 1959
Code with the nondiscriminatory hiring policies developed by the 1960

county, township, or municipal corporation under section 5709.832 1961
of the Revised Code. Upon the request of the council, the 1962
recipient shall provide the council any information necessary to 1963
perform its review. On the basis of its review, the council may 1964
submit to the legislative authority written recommendations for 1965
enhancing compliance with the nondiscriminatory hiring policies. 1966

(E) A legislative authority that receives from a tax 1967
incentive review council written recommendations under division 1968
(C)(1) or (D) of this section shall, within sixty days after 1969
receipt, hold a meeting and vote to accept, reject, or modify all 1970
or any portion of the recommendations. 1971

(F) A tax incentive review council may request from the 1972
recipient of a tax exemption under Chapter 725. or 1728. or 1973
section 3735.67, 5709.28, 5709.40, 5709.41, 5709.45, 5709.62, 1974
5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code any 1975
information reasonably necessary for the council to perform its 1976
review under this section. The request shall be in writing and 1977
shall be sent to the recipient by certified mail. Within ten days 1978
after receipt of the request, the recipient shall provide to the 1979
council the information requested. 1980

Sec. 5709.91. Service payments in lieu of taxes required 1981
under sections 725.04, 5709.42, 5709.46, 5709.74, and 5709.79 of 1982
the Revised Code, minimum service payment obligations, and service 1983
charges in lieu of taxes required under sections 1728.11 and 1984
1728.111 of the Revised Code, shall be treated in the same manner 1985
as taxes for all purposes of the lien described in section 323.11 1986
of the Revised Code, including, but not limited to, the priority 1987
and enforcement of the lien and the collection of the service 1988
payments, minimum service payment obligations, or service charges 1989
secured by the lien. For the purposes of this section, a "minimum 1990
service payment obligation" is an obligation, including a 1991

contingent obligation, for a person to make a payment to a county, 1992
township, or municipal corporation to ensure sufficient funds to 1993
finance public infrastructure improvements or, if applicable, 1994
housing renovations, pursuant to an agreement between that person 1995
and the county, township, or municipal corporation for the 1996
purposes of sections 5709.40 to 5709.43, 5709.45 to 5709.47, 1997
5709.73 to 5709.75, or 5709.77 to 5709.81 of the Revised Code. 1998

Sec. 5709.911. (A)(1) A municipal corporation, township, or 1999
county that has enacted an ordinance or resolution under section 2000
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised Code 2001
or that has entered into an agreement referred to in section 2002
725.02 or 1728.07 of the Revised Code may file an application for 2003
exemption under those sections in the same manner as other real 2004
property tax exemptions, notwithstanding the indication in 2005
division (A) of section 5715.27 of the Revised Code that the owner 2006
of the property may file the application. 2007

(2) Except as provided in division (B) of this section, if 2008
the application for exemption under section 725.02, 1728.10, 2009
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised Code 2010
is filed by a municipal corporation, township, or county and more 2011
than one real property tax exemption applies by law to the 2012
property or a portion of the property, both of the following 2013
apply: 2014

(a) An exemption granted under section 725.02, 1728.10, 2015
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised Code 2016
shall be subordinate to an exemption with respect to the property 2017
or portion of the property granted under any other provision of 2018
the Revised Code. 2019

(b) Neither service payments in lieu of taxes under section 2020
725.04, 5709.42, 5709.46, 5709.74, or 5709.79 of the Revised Code, 2021

nor service charges in lieu of taxes under section 1728.11 or 2022
1728.111 of the Revised Code, shall be required with respect to 2023
the property or portion of the property that is exempt from real 2024
property taxes under that other provision of the Revised Code 2025
during the effective period of the exemption. 2026

(B)(1) If the application for exemption under section 725.02, 2027
1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 2028
Revised Code is filed by the owner of the property or by a 2029
municipal corporation, township, or county with the owner's 2030
written consent attached to the application, and if more than one 2031
real property tax exemption applies by law to the property or a 2032
portion of the property, no other exemption shall be granted for 2033
the portion of the property already exempt under section 725.02, 2034
1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 2035
Revised Code unless the municipal corporation, township, or county 2036
that enacted the authorizing ordinance or resolution for the 2037
earlier exemption provides its duly authorized written consent to 2038
the subsequent exemption by means of a duly enacted ordinance or 2039
resolution. 2040

(2) If the application for exemption under section 725.02, 2041
1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 2042
Revised Code is filed by a municipal corporation, township, or 2043
county and approved by the tax commissioner, if the owner of the 2044
property subsequently provides written consent to the exemption 2045
and the consent is filed with the tax commissioner, and if more 2046
than one real property tax exemption applies by law to the 2047
property or a portion of the property, no other exemption shall be 2048
granted for the portion of the property already exempt under 2049
section 725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 2050
5709.78 of the Revised Code unless the municipal corporation, 2051
township, or county that enacted the authorizing ordinance or 2052
resolution for the earlier exemption provides its duly authorized 2053

written consent to the subsequent exemption by means of a duly 2054
enacted ordinance or resolution. 2055

(C)(1) After the tax commissioner has approved or partially 2056
approved an application for exemption filed by or with the consent 2057
of a property owner under the circumstances described in division 2058
(B)(1) of this section, the municipal corporation, township, 2059
county, or property owner shall file a notice with the county 2060
recorder for the county in which the property is located that 2061
clearly identifies the property and the owner of the property and 2062
states that the property, regardless of future use or ownership, 2063
remains liable for any service payments or service charges 2064
required by the exemption until the terms of the exemption have 2065
been satisfied, unless the municipal corporation, township, or 2066
county consents to the subsequent exemption and relinquishes its 2067
right to collect the service payments or service charges as 2068
provided in division (B)(1) of this section. The county recorder's 2069
office shall charge a fee of fourteen dollars to record the 2070
notice, the proceeds of which shall be retained by the county. 2071

(2) If a property owner subsequently provides written consent 2072
to an exemption under the circumstances described in division 2073
(B)(2) of this section, the municipal corporation, township, 2074
county, or property owner shall file notice with the county 2075
recorder for the county in which the property is located that 2076
clearly identifies the property and the owner of the property and 2077
states that the property, regardless of future use or ownership, 2078
remains liable for any service payments or service charges 2079
required by the exemption until the terms of the exemption have 2080
been satisfied, unless the municipal corporation, township, or 2081
county consents to the subsequent exemption and relinquishes its 2082
right to collect the service payments or service charges as 2083
provided in division (B)(2) of this section. The county recorder's 2084
office shall charge a fee of fourteen dollars to record the 2085

notice, the proceeds of which shall be retained by the county. 2086

(D) Upon filing of the notice with the county recorder, the 2087
provisions of division (B) of this section are binding on all 2088
future owners of the property or portion of the property, 2089
regardless of how the property is used. Failure to file the notice 2090
with the county recorder relieves future owners of the property 2091
from the obligation to make service payments in lieu of taxes 2092
under section 725.04, 5709.42, 5709.46, 5709.74, or 5709.79 of the 2093
Revised Code or service charges in lieu of taxes under section 2094
1728.11 or 1728.111 of the Revised Code, if the property or a 2095
portion of the property later qualifies for exemption under any 2096
other provision of the Revised Code. Failure to file the notice 2097
does not, however, relieve the owner of the property, at the time 2098
the application for exemption is filed, from making those payments 2099
or charges. 2100

Sec. 5709.913. (A) As used in this section: 2101

(1) "Base real property" means the land, structures and 2102
buildings, or portions of structures and buildings, that existed, 2103
and in the condition in which they existed, for the tax year in 2104
which the ordinance or resolution creating the incentive district 2105
referred to in division (B) of this section was enacted or 2106
adopted, as reflected in the exempt tax list or the general tax 2107
list and duplicate of real and public utility property. 2108

(2) "Sexennial reappraisal and triennial update" means the 2109
reappraisal and update referred to in section 5715.24 of the 2110
Revised Code. 2111

(B) This section applies to any parcel of real property that 2112
is located within an incentive district created by a municipal 2113
corporation or township under section 5709.40 or 5709.73 of the 2114
Revised Code or within a downtown redevelopment district created 2115
by a municipal corporation under section 5709.45 of the Revised 2116

Code, and concerning which the municipal corporation or township 2117
applied for an exemption from taxation on behalf of the property 2118
owner under section 5709.911 of the Revised Code. 2119

(C) Each time a county auditor's sexennial reappraisal or 2120
triennial update of the assessed value of a parcel of real 2121
property to which this section applies results in an increase in 2122
such assessed value, the county auditor shall determine the 2123
following amounts: 2124

(1) The amount of the increase in assessed value that is 2125
attributable to the base real property; 2126

(2) The amount determined under division (C)(1) of this 2127
section multiplied by the percentage of improvements in the 2128
~~incentive~~ district to be exempted from taxation under section 2129
5709.40, 5709.45, or 5709.73 of the Revised Code, as applicable; 2130

(3) The product of the amount calculated under division 2131
(C)(2) of this section multiplied by the rate of the taxes levied 2132
by the county within the ten-mill limitation the proceeds of which 2133
are deposited in the county general fund; 2134

(4) The product of the amount calculated under division 2135
(C)(3) of this section multiplied by one-half. 2136

(D) For any tax year that the owner of a parcel of real 2137
property referred to in division (B) of this section is required 2138
to make service payments in lieu of taxes under section 5709.42, 2139
5709.46, or 5709.74 of the Revised Code, a portion of the total 2140
amount of payments made for the year equal to the amount 2141
calculated under division (C)(4) of this section shall be 2142
distributed to the county treasury to the credit of the county 2143
general fund in lieu of distribution to the municipal public 2144
improvement tax increment equivalent fund, municipal downtown 2145
redevelopment district fund, or the township public improvement 2146
tax increment equivalent fund, as applicable. If the service 2147

payments for the year are paid in two installments, the required 2148
distribution to the county treasury also shall be made in two 2149
installments. 2150

(E)(1) Division (D) of this section does not apply if the 2151
municipal corporation or township enters into an agreement with 2152
the county that provides that such division does not apply. The 2153
agreement may provide for payments to the county by the municipal 2154
corporation or township. 2155

(2) Upon entering into an agreement under division (E)(1) of 2156
this section, the municipal corporation or township shall provide 2157
written notice of it to the county auditor of the county that is a 2158
party to the agreement and the tax commissioner. 2159

(F) With respect to a parcel of real property to which this 2160
section applies, the tax commissioner shall notify the county 2161
auditor of the county in which the parcel is located when a 2162
municipal corporation or township has applied for an exemption 2163
from taxation on behalf of the property owner and the exemption 2164
has been granted under section 5715.27 of the Revised Code. 2165

Sec. 5715.27. (A)(1) Except as provided in division (A)(2) of 2166
this section and in section 3735.67 of the Revised Code, the 2167
owner, a vendee in possession under a purchase agreement or a land 2168
contract, the beneficiary of a trust, or a lessee for an initial 2169
term of not less than thirty years of any property may file an 2170
application with the tax commissioner, on forms prescribed by the 2171
commissioner, requesting that such property be exempted from 2172
taxation and that taxes, interest, and penalties be remitted as 2173
provided in division (C) of section 5713.08 of the Revised Code. 2174

(2) If the property that is the subject of the application 2175
for exemption is any of the following, the application shall be 2176
filed with the county auditor of the county in which the property 2177
is listed for taxation: 2178

(a) A public road or highway;	2179
(b) Property belonging to the federal government of the United States;	2180 2181
(c) Additions or other improvements to an existing building or structure that belongs to the state or a political subdivision, as defined in section 5713.081 of the Revised Code, and that is exempted from taxation as property used exclusively for a public purpose;	2182 2183 2184 2185 2186
(d) Property of the boards of trustees and of the housing commissions of the state universities, the northeastern Ohio universities college of medicine, and of the state to be exempted under section 3345.17 of the Revised Code.	2187 2188 2189 2190
(B) The board of education of any school district may request the tax commissioner or county auditor to provide it with notification of applications for exemption from taxation for property located within that district. If so requested, the commissioner or auditor shall send to the board on a monthly basis reports that contain sufficient information to enable the board to identify each property that is the subject of an exemption application, including, but not limited to, the name of the property owner or applicant, the address of the property, and the auditor's parcel number. The commissioner or auditor shall mail the reports by the fifteenth day of the month following the end of the month in which the commissioner or auditor receives the applications for exemption.	2191 2192 2193 2194 2195 2196 2197 2198 2199 2200 2201 2202 2203
(C) A board of education that has requested notification under division (B) of this section may, with respect to any application for exemption of property located in the district and included in the commissioner's or auditor's most recent report provided under that division, file a statement with the commissioner or auditor and with the applicant indicating its	2204 2205 2206 2207 2208 2209

intent to submit evidence and participate in any hearing on the 2210
application. The statements shall be filed prior to the first day 2211
of the third month following the end of the month in which that 2212
application was docketed by the commissioner or auditor. A 2213
statement filed in compliance with this division entitles the 2214
district to submit evidence and to participate in any hearing on 2215
the property and makes the district a party for purposes of 2216
sections 5717.02 to 5717.04 of the Revised Code in any appeal of 2217
the commissioner's or auditor's decision to the board of tax 2218
appeals. 2219

(D) The commissioner or auditor shall not hold a hearing on 2220
or grant or deny an application for exemption of property in a 2221
school district whose board of education has requested 2222
notification under division (B) of this section until the end of 2223
the period within which the board may submit a statement with 2224
respect to that application under division (C) of this section. 2225
The commissioner or auditor may act upon an application at any 2226
time prior to that date upon receipt of a written waiver from each 2227
such board of education, or, in the case of exemptions authorized 2228
by section 725.02, 1728.10, 5709.40, 5709.41, 5709.411, 5709.45, 2229
5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 5709.84, or 5709.88 2230
of the Revised Code, upon the request of the property owner. 2231
Failure of a board of education to receive the report required in 2232
division (B) of this section shall not void an action of the 2233
commissioner or auditor with respect to any application. The 2234
commissioner or auditor may extend the time for filing a statement 2235
under division (C) of this section. 2236

(E) A complaint may also be filed with the commissioner or 2237
auditor by any person, board, or officer authorized by section 2238
5715.19 of the Revised Code to file complaints with the county 2239
board of revision against the continued exemption of any property 2240
granted exemption by the commissioner or auditor under this 2241

section. 2242

(F) An application for exemption and a complaint against 2243
exemption shall be filed prior to the thirty-first day of December 2244
of the tax year for which exemption is requested or for which the 2245
liability of the property to taxation in that year is requested. 2246
The commissioner or auditor shall consider such application or 2247
complaint in accordance with procedures established by the 2248
commissioner, determine whether the property is subject to 2249
taxation or exempt therefrom, and, if the commissioner makes the 2250
determination, certify the determination to the auditor. Upon 2251
making the determination or receiving the commissioner's 2252
determination, the auditor shall correct the tax list and 2253
duplicate accordingly. If a tax certificate has been sold under 2254
section 5721.32 or 5721.33 of the Revised Code with respect to 2255
property for which an exemption has been requested, the tax 2256
commissioner or auditor shall also certify the findings to the 2257
county treasurer of the county in which the property is located. 2258

(G) Applications and complaints, and documents of any kind 2259
related to applications and complaints, filed with the tax 2260
commissioner or county auditor under this section are public 2261
records within the meaning of section 149.43 of the Revised Code. 2262

(H) If the commissioner or auditor determines that the use of 2263
property or other facts relevant to the taxability of property 2264
that is the subject of an application for exemption or a complaint 2265
under this section has changed while the application or complaint 2266
was pending, the commissioner or auditor may make the 2267
determination under division (F) of this section separately for 2268
each tax year beginning with the year in which the application or 2269
complaint was filed or the year for which remission of taxes under 2270
division (C) of section 5713.08 of the Revised Code was requested, 2271
and including each subsequent tax year during which the 2272
application or complaint is pending before the commissioner or 2273

auditor. 2274

Section 2. That existing sections 133.04, 133.06, 709.024, 2275
709.19, 3317.021, 5501.311, 5709.12, 5709.82, 5709.83, 5709.831, 2276
5709.832, 5709.85, 5709.91, 5709.911, 5709.913, and 5715.27 of the 2277
Revised Code are hereby repealed. 2278

Section 3. The General Assembly, applying the principle 2279
stated in division (B) of section 1.52 of the Revised Code that 2280
amendments are to be harmonized if reasonably capable of 2281
simultaneous operation, finds that the following sections, 2282
presented in this act as composites of the sections as amended by 2283
the acts indicated, are the resulting versions of the sections in 2284
effect prior to the effective date of the sections as presented in 2285
this act: 2286

Section 133.06 of the Revised Code as amended by both Am. 2287
Sub. H.B. 483 and Am. Sub. H.B. 487 of the 130th General Assembly. 2288

Section 5709.12 of the Revised Code as amended by both Am. 2289
Sub. H.B. 483 and Sub. S.B. 172 of the 130th General Assembly. 2290