

As Reported by the Senate Ways and Means Committee

133rd General Assembly

Regular Session

2019-2020

Sub. S. B. No. 212

Senator Schuring

Cosponsor: Senator Hackett

A BILL

To enact section 5709.58 of the Revised Code to
authorize townships and municipal corporations
to designate areas within which new homes and
improvements to existing homes are wholly or
partially exempted from property taxation.

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

Section 1. That section 5709.58 of the Revised Code be
enacted to read as follows:

Sec. 5709.58. (A) As used in this section:

(1) "Residential neighborhood development property" means
a parcel of real property that has been subdivided by a
residential developer for the purpose of constructing a single-
family dwelling thereon.

(2) "Residential developer" means a person that owns
residential neighborhood development property upon which the
person causes a single-family dwelling to be constructed that
the person does not intend to occupy.

(3) "New residential neighborhood" means an area

encompassing at least ten adjacent parcels of residential 18
neighborhood development property. 19

(4) "School district" means a city, local, or exempted 20
village school district. 21

(B) (1) The legislative authority of a municipal 22
corporation or the board of trustees of a township may adopt an 23
ordinance or resolution designating all or one or more portions 24
of the territory of the municipal corporation, or of the 25
unincorporated territory of the township, respectively, as a 26
neighborhood development area for the public purpose of 27
encouraging development of adequate affordable housing in the 28
municipal corporation or township. The resolution or ordinance 29
shall include all of the following: 30

(a) A description of the boundaries of the neighborhood 31
development area; 32

(b) Identification of the municipal or township officer or 33
employee who will accept applications under division (D) of this 34
section; 35

(c) Findings to demonstrate that there is a current lack 36
of adequate housing within the municipal corporation or township 37
and that the designation of the area will encourage the 38
construction of new single-family dwellings, or the improvement 39
of existing single-family dwellings, that in either case would 40
be unlikely to occur in the absence of such a designation; 41

(d) The number of years during which the area will be 42
designated as a neighborhood development area or that the area 43
will be designated as such for a continuing period of time; 44

(e) A projection of how the proposed neighborhood 45
development area will enhance property values and thereby 46

generate additional property tax revenue; 47

(f) The percentage of valuation that will be exempt from 48
taxation under division (C) of this section, which shall be 49
seventy per cent of assessed valuation or, if the legislative 50
authority or board of trustees negotiate a mutually acceptable 51
agreement with the board of education of each school district 52
within which parcels in the area are located pursuant to 53
division (B)(2) of this section, one hundred per cent. 54

A neighborhood development area shall be defined by a 55
continuous boundary and may not exceed three hundred acres in 56
size. If two or more neighborhood development areas share a 57
common boundary, the total area of all such adjoining areas may 58
not exceed three hundred acres. The legislative authority or 59
board may not include in a neighborhood development area any 60
parcel that is subject to an exemption authorized under section 61
3735.67, 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised 62
Code. 63

To adopt such a resolution or ordinance, the legislative 64
authority or board shall conduct a hearing on the resolution or 65
ordinance during at least three regularly scheduled public 66
meetings held on three separate days and in accordance with 67
section 121.22 of the Revised Code, notwithstanding any rule or 68
charter provision permitting the legislative authority or board 69
to adopt a resolution or ordinance with fewer hearings. At least 70
seven days before the first meeting, the legislative authority 71
or board shall send notice, by certified mail, to the board of 72
education of each school district and to the taxing authority of 73
each other local taxing unit in which the proposed neighborhood 74
development area is located. The notice shall state the date and 75
time of each public meeting and shall include a copy of the 76

resolution or ordinance or the information described in 77
divisions (B) (1) (a), (d), and (f) of this section. If the date 78
or time of a meeting changes, then a new notice shall be sent by 79
certified mail announcing the new date and time. 80

(2) Upon mailing the first notice to a board of education 81
under division (B) (1) of this section, the legislative authority 82
or board of trustees shall attempt in good faith to engage the 83
board of education to explain the resolution or ordinance and to 84
reach a mutually acceptable agreement whereby the board of 85
education consents to the percentage of valuation to be exempted 86
from taxation under division (C) of this section being one 87
hundred per cent. If the legislative authority or board of 88
trustees and a board of education fail to negotiate an agreement 89
that is mutually acceptable within sixty days after that notice 90
is received by the board of education, then the percentage of 91
valuation that may be exempted from taxation under division (C) 92
of this section shall be seventy per cent. 93

(3) The legislative authority or board shall certify a 94
copy of any resolution or ordinance adopted under division (B) 95
(1) of this section to the tax commissioner within ten days 96
after its adoption. 97

(C) Subject to division (D) of this section: 98

(1) The percentage designated under division (B) (1) (f) of 99
this section of the assessed valuation of neighborhood 100
development property within a new residential neighborhood 101
located wholly within a neighborhood development area shall be 102
exempt from taxation beginning with the tax year after the tax 103
year in which construction of a single-family dwelling commences 104
on such property and continuing until and including the tax year 105
in which the dwelling is first occupied. 106

(2) If a single-family dwelling located on residential 107
neighborhood development property that qualifies or would 108
qualify for the exemption authorized in division (C)(1) of this 109
section is occupied as a home by the owner, the percentage 110
designated under division (B)(1)(f) of this section of the 111
assessed valuation of the parcel upon which the dwelling is 112
situated shall be exempt from taxation beginning with the tax 113
year after the first tax year in which the dwelling is occupied 114
and for the nine succeeding tax years, provided that the owner 115
occupies the dwelling on the tax lien date. 116

(3) The percentage designated under division (B)(1)(f) of 117
this section of the increased assessed valuation of a parcel 118
located in a neighborhood development area and on which is 119
situated a single-family dwelling that is occupied as a home and 120
remodeled by or for the owner shall be exempt from taxation for 121
the tax year after the tax year in which the remodeling began 122
and the succeeding four tax years, provided that the cost of the 123
remodeling is at least ten thousand dollars and that the owner 124
occupies the dwelling on the tax lien date. The increased 125
assessed valuation shall equal the assessed valuation of the 126
parcel in the tax year for which the exemption applies minus the 127
assessed valuation of the parcel in the tax year in which the 128
remodeling began. 129

For the purposes of divisions (C)(2) and (3) of this 130
section, "owner" includes any person whose interest in the 131
dwelling is an interest that would qualify the person as the 132
owner of a homestead under section 323.151 of the Revised Code. 133

(D) To obtain an exemption authorized under division (C) 134
of this section for a tax year, an owner of real property shall 135
file an annual application for the exemption with the officer or 136

employee designated under division (B) (2) of this section. That 137
officer or employee shall verify that all requirements of this 138
section for the exemption are satisfied. If the officer or 139
employee determines that such requirements are satisfied, the 140
officer or employee shall submit, on behalf of the property 141
owner, an exemption application to the tax commissioner under 142
section 5715.27 of the Revised Code for the applicable exemption 143
authorized under division (C) of this section, notwithstanding 144
the requirement in division (A) of section 5715.27 of the 145
Revised Code that the owner of the property file the 146
application. If the term of the designation of the neighborhood 147
development area expires, that officer or employee shall 148
continue to accept and submit applications from owners first 149
eligible for an exemption under division (C) of this section for 150
a tax year occurring during the period the area was so 151
designated. 152