

As Passed by the House

131st General Assembly

Regular Session

2015-2016

Sub. H. B. No. 12

Representatives Butler, Burkley

Cosponsors: Representatives Antani, Sprague

A BILL

To amend sections 5709.40, 5709.73, 5709.77, 1
5709.78, and 5709.911 of the Revised Code to 2
establish a procedure by which political 3
subdivisions proposing a tax increment financing 4
(TIF) incentive district are required to provide 5
notice to the record owner of each parcel within 6
the proposed incentive district before creating 7
the district, and to permit such owners, under 8
specific conditions, to exclude their parcels 9
from the incentive district by submitting a 10
written response. 11

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

Section 1. That sections 5709.40, 5709.73, 5709.77, 12
5709.78, and 5709.911 of the Revised Code be amended to read as 13
follows: 14

Sec. 5709.40. (A) As used in this section: 15

(1) "Blighted area" and "impacted city" have the same 16
meanings as in section 1728.01 of the Revised Code. 17

(2) "Business day" means a day of the week excluding 18

Saturday, Sunday, and a legal holiday as defined under section 19
1.14 of the Revised Code. 20

(3) "Housing renovation" means a project carried out for 21
residential purposes. 22

(4) "Improvement" means the increase in the assessed value 23
of any real property that would first appear on the tax list and 24
duplicate of real and public utility property after the 25
effective date of an ordinance adopted under this section were 26
it not for the exemption granted by that ordinance. 27

(5) "Incentive district" means an area not more than three 28
hundred acres in size enclosed by a continuous boundary in which 29
a project is being, or will be, undertaken and having one or 30
more of the following distress characteristics: 31

(a) At least fifty-one per cent of the residents of the 32
district have incomes of less than eighty per cent of the median 33
income of residents of the political subdivision in which the 34
district is located, as determined in the same manner specified 35
under section 119(b) of the "Housing and Community Development 36
Act of 1974," 88 Stat. 633, 42 U.S.C. 5318, as amended; 37

(b) The average rate of unemployment in the district 38
during the most recent twelve-month period for which data are 39
available is equal to at least one hundred fifty per cent of the 40
average rate of unemployment for this state for the same period. 41

(c) At least twenty per cent of the people residing in the 42
district live at or below the poverty level as defined in the 43
federal Housing and Community Development Act of 1974, 42 U.S.C. 44
5301, as amended, and regulations adopted pursuant to that act. 45

(d) The district is a blighted area. 46

(e) The district is in a situational distress area as 47
designated by the director of development services under 48
division (F) of section 122.23 of the Revised Code. 49

(f) As certified by the engineer for the political 50
subdivision, the public infrastructure serving the district is 51
inadequate to meet the development needs of the district as 52
evidenced by a written economic development plan or urban 53
renewal plan for the district that has been adopted by the 54
legislative authority of the subdivision. 55

(g) The district is comprised entirely of unimproved land 56
that is located in a distressed area as defined in section 57
122.23 of the Revised Code. 58

(6) "Overlay" means an area of not more than three hundred 59
acres that is a square, or that is a rectangle having two longer 60
sides that are not more than twice the length of the two shorter 61
sides, that the legislative authority of a municipal corporation 62
delineates on a map of a proposed incentive district. 63

(7) "Project" means development activities undertaken on 64
one or more parcels, including, but not limited to, 65
construction, expansion, and alteration of buildings or 66
structures, demolition, remediation, and site development, and 67
any building or structure that results from those activities. 68

~~(7)~~(8) "Public infrastructure improvement" includes, but 69
is not limited to, public roads and highways; water and sewer 70
lines; environmental remediation; land acquisition, including 71
acquisition in aid of industry, commerce, distribution, or 72
research; demolition, including demolition on private property 73
when determined to be necessary for economic development 74
purposes; stormwater and flood remediation projects, including 75

such projects on private property when determined to be 76
necessary for public health, safety, and welfare; the provision 77
of gas, electric, and communications service facilities, 78
including the provision of gas or electric service facilities 79
owned by nongovernmental entities when such improvements are 80
determined to be necessary for economic development purposes; 81
and the enhancement of public waterways through improvements 82
that allow for greater public access. 83

(B) The legislative authority of a municipal corporation, 84
by ordinance, may declare improvements to certain parcels of 85
real property located in the municipal corporation to be a 86
public purpose. Improvements with respect to a parcel that is 87
used or to be used for residential purposes may be declared a 88
public purpose under this division only if the parcel is located 89
in a blighted area of an impacted city. For this purpose, 90
"parcel that is used or to be used for residential purposes" 91
means a parcel that, as improved, is used or to be used for 92
purposes that would cause the tax commissioner to classify the 93
parcel as residential property in accordance with rules adopted 94
by the commissioner under section 5713.041 of the Revised Code. 95
Except with the approval under division (D) of this section of 96
the board of education of each city, local, or exempted village 97
school district within which the improvements are located, not 98
more than seventy-five per cent of an improvement thus declared 99
to be a public purpose may be exempted from real property 100
taxation for a period of not more than ten years. The ordinance 101
shall specify the percentage of the improvement to be exempted 102
from taxation and the life of the exemption. 103

An ordinance adopted or amended under this division shall 104
designate the specific public infrastructure improvements made, 105
to be made, or in the process of being made by the municipal 106

corporation that directly benefit, or that once made will 107
directly benefit, the parcels for which improvements are 108
declared to be a public purpose. The service payments provided 109
for in section 5709.42 of the Revised Code shall be used to 110
finance the public infrastructure improvements designated in the 111
ordinance, for the purpose described in division (D) (1) of this 112
section or as provided in section 5709.43 of the Revised Code. 113

(C) (1) The legislative authority of a municipal 114
corporation may adopt an ordinance creating an incentive 115
district and declaring improvements to parcels within the 116
district to be a public purpose and, except as provided in 117
division ~~(F)~~ (C) (2) of this section, exempt from taxation as 118
provided in this section, but no legislative authority of a 119
municipal corporation that has a population that exceeds twenty- 120
five thousand, as shown by the most recent federal decennial 121
census, shall adopt an ordinance that creates an incentive 122
district if the sum of the taxable value of real property in the 123
proposed district for the preceding tax year and the taxable 124
value of all real property in the municipal corporation that 125
would have been taxable in the preceding year were it not for 126
the fact that the property was in an existing incentive district 127
and therefore exempt from taxation exceeds twenty-five per cent 128
of the taxable value of real property in the municipal 129
corporation for the preceding tax year. The ordinance shall 130
delineate the boundary of the proposed district and specifically 131
identify each parcel within the district. A proposed district 132
may not include any parcel that is or has been exempted from 133
taxation under division (B) of this section or that is or has 134
been within another district created under this division. An 135
ordinance may create more than one such district, and more than 136
one ordinance may be adopted under division (C) (1) of this 137

section. 138

(2) (a) Not later than thirty days prior to adopting an 139
ordinance under division (C) (1) of this section, if the 140
municipal corporation intends to apply for exemptions from 141
taxation under section 5709.911 of the Revised Code on behalf of 142
owners of real property located within the proposed incentive 143
district, the legislative authority of ~~a~~ the municipal 144
corporation shall conduct a public hearing on the proposed 145
ordinance. Not later than thirty days prior to the public 146
hearing, the legislative authority shall give notice of the 147
public hearing and the proposed ordinance by first class mail to 148
every real property owner whose property is located within the 149
boundaries of the proposed incentive district that is the 150
subject of the proposed ordinance. The notice shall include a 151
map of the proposed incentive district on which the legislative 152
authority of the municipal corporation shall have delineated an 153
overlay. The notice shall inform the property owner of the 154
owner's right to exclude the owner's property from the incentive 155
district if the owner's entire parcel of property will not be 156
located within the overlay, by submitting a written response in 157
accordance with division (C) (2) (b) of this section. The notice 158
also shall include information detailing the required contents 159
of the response, the address to which the response may be 160
mailed, and the deadline for submitting the response. 161

(b) Any owner of real property located within the 162
boundaries of an incentive district proposed under division (C) 163
(1) of this section whose entire parcel of property is not 164
located within the overlay may exclude the property from the 165
proposed incentive district by submitting a written response to 166
the legislative authority of the municipal corporation not later 167
than forty-five days after the postmark date on the notice 168

required under division (C) (2) (a) of this section. The response 169
shall be sent by first class mail or delivered in person at a 170
public hearing held by the legislative authority under division 171
(C) (2) (a) of this section. The response shall conform to any 172
content requirements that may be established by the municipal 173
corporation and included in the notice provided under division 174
(C) (2) (a) of this section. In the response, property owners may 175
identify a parcel by street address, by the manner in which it 176
is identified in the ordinance, or by other means allowing the 177
identity of the parcel to be ascertained. 178

(c) Before adopting an ordinance under division (C) (1) of 179
this section, the legislative authority of a municipal 180
corporation shall amend the ordinance to exclude any parcel 181
located wholly or partly outside the overlay for which a written 182
response has been submitted under division (C) (2) (b) of this 183
section. A municipal corporation shall not apply for exemptions 184
from taxation under section 5709.911 of the Revised Code for any 185
such parcel, and service payments may not be required from the 186
owner of the parcel. Improvements to a parcel excluded from an 187
incentive district under this division may be exempted from 188
taxation under division (B) of this section pursuant to an 189
ordinance adopted under that division or under any other section 190
of the Revised Code under which the parcel qualifies. 191

(3) (a) An ordinance adopted under division (C) (1) of this 192
section shall specify the life of the incentive district and the 193
percentage of the improvements to be exempted, shall designate 194
the public infrastructure improvements made, to be made, or in 195
the process of being made, that benefit or serve, or, once made, 196
will benefit or serve parcels in the district. The ordinance 197
also shall identify one or more specific projects being, or to 198
be, undertaken in the district that place additional demand on 199

the public infrastructure improvements designated in the 200
ordinance. The project identified may, but need not be, the 201
project under division (C) (3) (b) of this section that places 202
real property in use for commercial or industrial purposes. 203
Except as otherwise permitted under that division, the service 204
payments provided for in section 5709.42 of the Revised Code 205
shall be used to finance the designated public infrastructure 206
improvements, for the purpose described in division (D) (1) ~~or~~, 207
(E), or (F) of this section, or as provided in section 5709.43 208
of the Revised Code. 209

An ordinance adopted under division (C) (1) of this section 210
on or after March 30, 2006, shall not designate police or fire 211
equipment as public infrastructure improvements, and no service 212
payment provided for in section 5709.42 of the Revised Code and 213
received by the municipal corporation under the ordinance shall 214
be used for police or fire equipment. 215

(b) An ordinance adopted under division (C) (1) of this 216
section may authorize the use of service payments provided for 217
in section 5709.42 of the Revised Code for the purpose of 218
housing renovations within the incentive district, provided that 219
the ordinance also designates public infrastructure improvements 220
that benefit or serve the district, and that a project within 221
the district places real property in use for commercial or 222
industrial purposes. Service payments may be used to finance or 223
support loans, deferred loans, and grants to persons for the 224
purpose of housing renovations within the district. The 225
ordinance shall designate the parcels within the district that 226
are eligible for housing renovation. The ordinance shall state 227
separately the amounts or the percentages of the expected 228
aggregate service payments that are designated for each public 229
infrastructure improvement and for the general purpose of 230

housing renovations. 231

(4) Except with the approval of the board of education of 232
each city, local, or exempted village school district within the 233
territory of which the incentive district is or will be located, 234
and subject to division (E) of this section, the life of an 235
incentive district shall not exceed ten years, and the 236
percentage of improvements to be exempted shall not exceed 237
seventy-five per cent. With approval of the board of education, 238
the life of a district may be not more than thirty years, and 239
the percentage of improvements to be exempted may be not more 240
than one hundred per cent. The approval of a board of education 241
shall be obtained in the manner provided in division (D) of this 242
section. 243

(D) (1) If the ordinance declaring improvements to a parcel 244
to be a public purpose or creating an incentive district 245
specifies that payments in lieu of taxes provided for in section 246
5709.42 of the Revised Code shall be paid to the city, local, or 247
exempted village, and joint vocational school district in which 248
the parcel or incentive district is located in the amount of the 249
taxes that would have been payable to the school district if the 250
improvements had not been exempted from taxation, the percentage 251
of the improvement that may be exempted from taxation may exceed 252
seventy-five per cent, and the exemption may be granted for up 253
to thirty years, without the approval of the board of education 254
as otherwise required under division (D) (2) of this section. 255

(2) Improvements with respect to a parcel may be exempted 256
from taxation under division (B) of this section, and 257
improvements to parcels within an incentive district may be 258
exempted from taxation under division (C) of this section, for 259
up to ten years or, with the approval under this paragraph of 260

the board of education of the city, local, or exempted village 261
school district within which the parcel or district is located, 262
for up to thirty years. The percentage of the improvement 263
exempted from taxation may, with such approval, exceed seventy- 264
five per cent, but shall not exceed one hundred per cent. Not 265
later than forty-five business days prior to adopting an 266
ordinance under this section declaring improvements to be a 267
public purpose that is subject to approval by a board of 268
education under this division, the legislative authority shall 269
deliver to the board of education a notice stating its intent to 270
adopt an ordinance making that declaration. The notice regarding 271
improvements with respect to a parcel under division (B) of this 272
section shall identify the parcels for which improvements are to 273
be exempted from taxation, provide an estimate of the true value 274
in money of the improvements, specify the period for which the 275
improvements would be exempted from taxation and the percentage 276
of the improvement that would be exempted, and indicate the date 277
on which the legislative authority intends to adopt the 278
ordinance. The notice regarding improvements to parcels within 279
an incentive district under division (C) of this section shall 280
delineate the boundaries of the district, specifically identify 281
each parcel within the district, identify each anticipated 282
improvement in the district, provide an estimate of the true 283
value in money of each such improvement, specify the life of the 284
district and the percentage of improvements that would be 285
exempted, and indicate the date on which the legislative 286
authority intends to adopt the ordinance. The board of 287
education, by resolution adopted by a majority of the board, may 288
approve the exemption for the period or for the exemption 289
percentage specified in the notice; may disapprove the exemption 290
for the number of years in excess of ten, may disapprove the 291
exemption for the percentage of the improvement to be exempted 292

in excess of seventy-five per cent, or both; or may approve the 293
exemption on the condition that the legislative authority and 294
the board negotiate an agreement providing for compensation to 295
the school district equal in value to a percentage of the amount 296
of taxes exempted in the eleventh and subsequent years of the 297
exemption period or, in the case of exemption percentages in 298
excess of seventy-five per cent, compensation equal in value to 299
a percentage of the taxes that would be payable on the portion 300
of the improvement in excess of seventy-five per cent were that 301
portion to be subject to taxation, or other mutually agreeable 302
compensation. If an agreement is negotiated between the 303
legislative authority and the board to compensate the school 304
district for all or part of the taxes exempted, including 305
agreements for payments in lieu of taxes under section 5709.42 306
of the Revised Code, the legislative authority shall compensate 307
the joint vocational school district within which the parcel or 308
district is located at the same rate and under the same terms 309
received by the city, local, or exempted village school 310
district. 311

(3) The board of education shall certify its resolution to 312
the legislative authority not later than fourteen days prior to 313
the date the legislative authority intends to adopt the 314
ordinance as indicated in the notice. If the board of education 315
and the legislative authority negotiate a mutually acceptable 316
compensation agreement, the ordinance may declare the 317
improvements a public purpose for the number of years specified 318
in the ordinance or, in the case of exemption percentages in 319
excess of seventy-five per cent, for the exemption percentage 320
specified in the ordinance. In either case, if the board and the 321
legislative authority fail to negotiate a mutually acceptable 322
compensation agreement, the ordinance may declare the 323

improvements a public purpose for not more than ten years, and 324
shall not exempt more than seventy-five per cent of the 325
improvements from taxation. If the board fails to certify a 326
resolution to the legislative authority within the time 327
prescribed by this division, the legislative authority thereupon 328
may adopt the ordinance and may declare the improvements a 329
public purpose for up to thirty years, or, in the case of 330
exemption percentages proposed in excess of seventy-five per 331
cent, for the exemption percentage specified in the ordinance. 332
The legislative authority may adopt the ordinance at any time 333
after the board of education certifies its resolution approving 334
the exemption to the legislative authority, or, if the board 335
approves the exemption on the condition that a mutually 336
acceptable compensation agreement be negotiated, at any time 337
after the compensation agreement is agreed to by the board and 338
the legislative authority. 339

(4) If a board of education has adopted a resolution 340
waiving its right to approve exemptions from taxation under this 341
section and the resolution remains in effect, approval of 342
exemptions by the board is not required under division (D) of 343
this section. If a board of education has adopted a resolution 344
allowing a legislative authority to deliver the notice required 345
under division (D) of this section fewer than forty-five 346
business days prior to the legislative authority's adoption of 347
the ordinance, the legislative authority shall deliver the 348
notice to the board not later than the number of days prior to 349
such adoption as prescribed by the board in its resolution. If a 350
board of education adopts a resolution waiving its right to 351
approve agreements or shortening the notification period, the 352
board shall certify a copy of the resolution to the legislative 353
authority. If the board of education rescinds such a resolution, 354

it shall certify notice of the rescission to the legislative 355
authority. 356

(5) If the legislative authority is not required by 357
division (D) of this section to notify the board of education of 358
the legislative authority's intent to declare improvements to be 359
a public purpose, the legislative authority shall comply with 360
the notice requirements imposed under section 5709.83 of the 361
Revised Code, unless the board has adopted a resolution under 362
that section waiving its right to receive such a notice. 363

(E) (1) If a proposed ordinance under division (C) (1) of 364
this section exempts improvements with respect to a parcel 365
within an incentive district for more than ten years, or the 366
percentage of the improvement exempted from taxation exceeds 367
seventy-five per cent, not later than forty-five business days 368
prior to adopting the ordinance the legislative authority of the 369
municipal corporation shall deliver to the board of county 370
commissioners of the county within which the incentive district 371
will be located a notice that states its intent to adopt an 372
ordinance creating an incentive district. The notice shall 373
include a copy of the proposed ordinance, identify the parcels 374
for which improvements are to be exempted from taxation, provide 375
an estimate of the true value in money of the improvements, 376
specify the period of time for which the improvements would be 377
exempted from taxation, specify the percentage of the 378
improvements that would be exempted from taxation, and indicate 379
the date on which the legislative authority intends to adopt the 380
ordinance. 381

(2) The board of county commissioners, by resolution 382
adopted by a majority of the board, may object to the exemption 383
for the number of years in excess of ten, may object to the 384

exemption for the percentage of the improvement to be exempted 385
in excess of seventy-five per cent, or both. If the board of 386
county commissioners objects, the board may negotiate a mutually 387
acceptable compensation agreement with the legislative 388
authority. In no case shall the compensation provided to the 389
board exceed the property taxes forgone due to the exemption. If 390
the board of county commissioners objects, and the board and 391
legislative authority fail to negotiate a mutually acceptable 392
compensation agreement, the ordinance adopted under division (C) 393
(1) of this section shall provide to the board compensation in 394
the eleventh and subsequent years of the exemption period equal 395
in value to not more than fifty per cent of the taxes that would 396
be payable to the county or, if the board's objection includes 397
an objection to an exemption percentage in excess of seventy- 398
five per cent, compensation equal in value to not more than 399
fifty per cent of the taxes that would be payable to the county, 400
on the portion of the improvement in excess of seventy-five per 401
cent, were that portion to be subject to taxation. The board of 402
county commissioners shall certify its resolution to the 403
legislative authority not later than thirty days after receipt 404
of the notice. 405

(3) If the board of county commissioners does not object 406
or fails to certify its resolution objecting to an exemption 407
within thirty days after receipt of the notice, the legislative 408
authority may adopt the ordinance, and no compensation shall be 409
provided to the board of county commissioners. If the board 410
timely certifies its resolution objecting to the ordinance, the 411
legislative authority may adopt the ordinance at any time after 412
a mutually acceptable compensation agreement is agreed to by the 413
board and the legislative authority, or, if no compensation 414
agreement is negotiated, at any time after the legislative 415

authority agrees in the proposed ordinance to provide 416
compensation to the board of fifty per cent of the taxes that 417
would be payable to the county in the eleventh and subsequent 418
years of the exemption period or on the portion of the 419
improvement in excess of seventy-five per cent, were that 420
portion to be subject to taxation. 421

(F) Service payments in lieu of taxes that are 422
attributable to any amount by which the effective tax rate of 423
either a renewal levy with an increase or a replacement levy 424
exceeds the effective tax rate of the levy renewed or replaced, 425
or that are attributable to an additional levy, for a levy 426
authorized by the voters for any of the following purposes on or 427
after January 1, 2006, and which are provided pursuant to an 428
ordinance creating an incentive district under division (C) (1) 429
of this section that is adopted on or after January 1, 2006, 430
shall be distributed to the appropriate taxing authority as 431
required under division (C) of section 5709.42 of the Revised 432
Code in an amount equal to the amount of taxes from that 433
additional levy or from the increase in the effective tax rate 434
of such renewal or replacement levy that would have been payable 435
to that taxing authority from the following levies were it not 436
for the exemption authorized under division (C) of this section: 437

(1) A tax levied under division (L) of section 5705.19 or 438
section 5705.191 of the Revised Code for community mental 439
retardation and developmental disabilities programs and services 440
pursuant to Chapter 5126. of the Revised Code; 441

(2) A tax levied under division (Y) of section 5705.19 of 442
the Revised Code for providing or maintaining senior citizens 443
services or facilities; 444

(3) A tax levied under section 5705.22 of the Revised Code 445

for county hospitals;	446
(4) A tax levied by a joint-county district or by a county	447
under section 5705.19, 5705.191, or 5705.221 of the Revised Code	448
for alcohol, drug addiction, and mental health services or	449
facilities;	450
(5) A tax levied under section 5705.23 of the Revised Code	451
for library purposes;	452
(6) A tax levied under section 5705.24 of the Revised Code	453
for the support of children services and the placement and care	454
of children;	455
(7) A tax levied under division (Z) of section 5705.19 of	456
the Revised Code for the provision and maintenance of zoological	457
park services and facilities under section 307.76 of the Revised	458
Code;	459
(8) A tax levied under section 511.27 or division (H) of	460
section 5705.19 of the Revised Code for the support of township	461
park districts;	462
(9) A tax levied under division (A), (F), or (H) of	463
section 5705.19 of the Revised Code for parks and recreational	464
purposes of a joint recreation district organized pursuant to	465
division (B) of section 755.14 of the Revised Code;	466
(10) A tax levied under section 1545.20 or 1545.21 of the	467
Revised Code for park district purposes;	468
(11) A tax levied under section 5705.191 of the Revised	469
Code for the purpose of making appropriations for public	470
assistance; human or social services; public relief; public	471
welfare; public health and hospitalization; and support of	472
general hospitals;	473

(12) A tax levied under section 3709.29 of the Revised Code for a general health district program. 474
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(G) An exemption from taxation granted under this section commences with the tax year specified in the ordinance so long as the year specified in the ordinance commences after the effective date of the ordinance. If the ordinance specifies a year commencing before the effective date of the resolution or specifies no year whatsoever, the exemption commences with the tax year in which an exempted improvement first appears on the tax list and duplicate of real and public utility property and that commences after the effective date of the ordinance. In lieu of stating a specific year, the ordinance may provide that the exemption commences in the tax year in which the value of an improvement exceeds a specified amount or in which the construction of one or more improvements is completed, provided that such tax year commences after the effective date of the ordinance. With respect to the exemption of improvements to parcels under division (B) of this section, the ordinance may allow for the exemption to commence in different tax years on a parcel-by-parcel basis, with a separate exemption term specified for each parcel. 476
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Except as otherwise provided in this division, the exemption ends on the date specified in the ordinance as the date the improvement ceases to be a public purpose or the incentive district expires, or ends on the date on which the public infrastructure improvements and housing renovations are paid in full from the municipal public improvement tax increment equivalent fund established under division (A) of section 5709.43 of the Revised Code, whichever occurs first. The exemption of an improvement with respect to a parcel or within an incentive district may end on a later date, as specified in 495
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the ordinance, if the legislative authority and the board of 505
education of the city, local, or exempted village school 506
district within which the parcel or district is located have 507
entered into a compensation agreement under section 5709.82 of 508
the Revised Code with respect to the improvement, and the board 509
of education has approved the term of the exemption under 510
division (D)(2) of this section, but in no case shall the 511
improvement be exempted from taxation for more than thirty 512
years. Exemptions shall be claimed and allowed in the same 513
manner as in the case of other real property exemptions. If an 514
exemption status changes during a year, the procedure for the 515
apportionment of the taxes for that year is the same as in the 516
case of other changes in tax exemption status during the year. 517

(H) Additional municipal financing of public 518
infrastructure improvements and housing renovations may be 519
provided by any methods that the municipal corporation may 520
otherwise use for financing such improvements or renovations. If 521
the municipal corporation issues bonds or notes to finance the 522
public infrastructure improvements and housing renovations and 523
pledges money from the municipal public improvement tax 524
increment equivalent fund to pay the interest on and principal 525
of the bonds or notes, the bonds or notes are not subject to 526
Chapter 133. of the Revised Code. 527

(I) The municipal corporation, not later than fifteen days 528
after the adoption of an ordinance under this section, shall 529
submit to the director of development services a copy of the 530
ordinance. On or before the thirty-first day of March of each 531
year, the municipal corporation shall submit a status report to 532
the director of development services. The report shall indicate, 533
in the manner prescribed by the director, the progress of the 534
project during each year that an exemption remains in effect, 535

including a summary of the receipts from service payments in 536
lieu of taxes; expenditures of money from the funds created 537
under section 5709.43 of the Revised Code; a description of the 538
public infrastructure improvements and housing renovations 539
financed with such expenditures; and a quantitative summary of 540
changes in employment and private investment resulting from each 541
project. 542

(J) Nothing in this section shall be construed to prohibit 543
a legislative authority from declaring to be a public purpose 544
improvements with respect to more than one parcel. 545

(K) If a parcel is located in a new community district in 546
which the new community authority imposes a community 547
development charge on the basis of rentals received from leases 548
of real property as described in division (L) (2) of section 549
349.01 of the Revised Code, the parcel may not be exempted from 550
taxation under this section. 551

Sec. 5709.73. (A) As used in this section and section 552
5709.74 of the Revised Code: 553

(1) "Business day" means a day of the week excluding 554
Saturday, Sunday, and a legal holiday as defined in section 1.14 555
of the Revised Code. 556

(2) "Further improvements" or "improvements" means the 557
increase in the assessed value of real property that would first 558
appear on the tax list and duplicate of real and public utility 559
property after the effective date of a resolution adopted under 560
this section were it not for the exemption granted by that 561
resolution. For purposes of division (B) of this section, 562
"improvements" do not include any property used or to be used 563
for residential purposes. For this purpose, "property that is 564

used or to be used for residential purposes" means property 565
that, as improved, is used or to be used for purposes that would 566
cause the tax commissioner to classify the property as 567
residential property in accordance with rules adopted by the 568
commissioner under section 5713.041 of the Revised Code. 569

(3) "Housing renovation" means a project carried out for 570
residential purposes. 571

(4) "Incentive district" has the same meaning as in 572
section 5709.40 of the Revised Code, except that a blighted area 573
is in the unincorporated area of a township. 574

(5) "Overlay" has the same meaning as in section 5709.40 575
of the Revised Code, except that the overlay is delineated by 576
the board of township trustees. 577

(6) "Project" and "public infrastructure improvement" have 578
the same meanings as in section 5709.40 of the Revised Code. 579

(B) A board of township trustees may, by unanimous vote, 580
adopt a resolution that declares to be a public purpose any 581
public infrastructure improvements made that are necessary for 582
the development of certain parcels of land located in the 583
unincorporated area of the township. Except with the approval 584
under division (D) of this section of the board of education of 585
each city, local, or exempted village school district within 586
which the improvements are located, the resolution may exempt 587
from real property taxation not more than seventy-five per cent 588
of further improvements to a parcel of land that directly 589
benefits from the public infrastructure improvements, for a 590
period of not more than ten years. The resolution shall specify 591
the percentage of the further improvements to be exempted and 592
the life of the exemption. 593

(C) (1) A board of township trustees may adopt, by 594
unanimous vote, a resolution creating an incentive district and 595
declaring improvements to parcels within the district to be a 596
public purpose and, except as provided in division ~~(F)~~ (C) (2) of 597
this section, exempt from taxation as provided in this section, 598
but no board of township trustees of a township that has a 599
population that exceeds twenty-five thousand, as shown by the 600
most recent federal decennial census, shall adopt a resolution 601
that creates an incentive district if the sum of the taxable 602
value of real property in the proposed district for the 603
preceding tax year and the taxable value of all real property in 604
the township that would have been taxable in the preceding year 605
were it not for the fact that the property was in an existing 606
incentive district and therefore exempt from taxation exceeds 607
twenty-five per cent of the taxable value of real property in 608
the township for the preceding tax year. The district shall be 609
located within the unincorporated area of the township and shall 610
not include any territory that is included within a district 611
created under division (B) of section 5709.78 of the Revised 612
Code. The resolution shall delineate the boundary of the 613
proposed district and specifically identify each parcel within 614
the district. A proposed district may not include any parcel 615
that is or has been exempted from taxation under division (B) of 616
this section or that is or has been within another district 617
created under this division. A resolution may create more than 618
one such district, and more than one resolution may be adopted 619
under division (C) (1) of this section. 620

(2) (a) Not later than thirty days prior to adopting a 621
resolution under division (C) (1) of this section, if the 622
township intends to apply for exemptions from taxation under 623
section 5709.911 of the Revised Code on behalf of owners of real 624

property located within the proposed incentive district, the 625
board shall conduct a public hearing on the proposed resolution. 626
Not later than thirty days prior to the public hearing, the 627
board shall give notice of the public hearing and the proposed 628
resolution by first class mail to every real property owner 629
whose property is located within the boundaries of the proposed 630
incentive district that is the subject of the proposed 631
resolution. The notice shall include a map of the proposed 632
incentive district on which the board of township trustees shall 633
have delineated an overlay. The notice shall inform the property 634
owner of the owner's right to exclude the owner's property from 635
the incentive district if the owner's entire parcel of property 636
will not be located within the overlay, by submitting a written 637
response in accordance with division (C)(2)(b) of this section. 638
The notice also shall include information detailing the required 639
contents of the response, the address to which the response may 640
be mailed, and the deadline for submitting the response. 641

(b) Any owner of real property located within the 642
boundaries of an incentive district proposed under division (C) 643
(1) of this section whose entire parcel of property is not 644
located within the overlay may exclude the property from the 645
proposed incentive district by submitting a written response to 646
the board not later than forty-five days after the postmark date 647
on the notice required under division (C)(2)(a) of this section. 648
The response shall be sent by first class mail or delivered in 649
person at a public hearing held by the board under division (C) 650
(2)(a) of this section. The response shall conform to any 651
content requirements that may be established by the board and 652
included in the notice provided under division (C)(2)(a) of this 653
section. In the response, property owners may identify a parcel 654
by street address, by the manner in which it is identified in 655

the resolution, or by other means allowing the identity of the 656
parcel to be ascertained. 657

(c) Before adopting a resolution under division (C) (1) of 658
this section, the board shall amend the resolution to exclude 659
any parcel located wholly or partly outside the overlay for 660
which a written response has been submitted under division (C) 661
(2) (b) of this section. A township shall not apply for 662
exemptions from taxation under section 5709.911 of the Revised 663
Code for any such parcel, and service payments may not be 664
required from the owner of the parcel. Improvements to a parcel 665
excluded from an incentive district under this division may be 666
exempted from taxation under division (B) of this section 667
pursuant to a resolution adopted under that division or under 668
any other section of the Revised Code under which the parcel 669
qualifies. 670

(3) (a) A resolution adopted under division (C) (1) of this 671
section shall specify the life of the incentive district and the 672
percentage of the improvements to be exempted, shall designate 673
the public infrastructure improvements made, to be made, or in 674
the process of being made, that benefit or serve, or, once made, 675
will benefit or serve parcels in the district. The resolution 676
also shall identify one or more specific projects being, or to 677
be, undertaken in the district that place additional demand on 678
the public infrastructure improvements designated in the 679
resolution. The project identified may, but need not be, the 680
project under division (C) (3) (b) of this section that places 681
real property in use for commercial or industrial purposes. 682

A resolution adopted under division (C) (1) of this section 683
on or after March 30, 2006, shall not designate police or fire 684
equipment as public infrastructure improvements, and no service 685

payment provided for in section 5709.74 of the Revised Code and 686
received by the township under the resolution shall be used for 687
police or fire equipment. 688

(b) A resolution adopted under division (C)(1) of this 689
section may authorize the use of service payments provided for 690
in section 5709.74 of the Revised Code for the purpose of 691
housing renovations within the incentive district, provided that 692
the resolution also designates public infrastructure 693
improvements that benefit or serve the district, and that a 694
project within the district places real property in use for 695
commercial or industrial purposes. Service payments may be used 696
to finance or support loans, deferred loans, and grants to 697
persons for the purpose of housing renovations within the 698
district. The resolution shall designate the parcels within the 699
district that are eligible for housing renovations. The 700
resolution shall state separately the amount or the percentages 701
of the expected aggregate service payments that are designated 702
for each public infrastructure improvement and for the purpose 703
of housing renovations. 704

(4) Except with the approval of the board of education of 705
each city, local, or exempted village school district within the 706
territory of which the incentive district is or will be located, 707
and subject to division (E) of this section, the life of an 708
incentive district shall not exceed ten years, and the 709
percentage of improvements to be exempted shall not exceed 710
seventy-five per cent. With approval of the board of education, 711
the life of a district may be not more than thirty years, and 712
the percentage of improvements to be exempted may be not more 713
than one hundred per cent. The approval of a board of education 714
shall be obtained in the manner provided in division (D) of this 715
section. 716

(D) Improvements with respect to a parcel may be exempted 717
from taxation under division (B) of this section, and 718
improvements to parcels within an incentive district may be 719
exempted from taxation under division (C) of this section, for 720
up to ten years or, with the approval of the board of education 721
of the city, local, or exempted village school district within 722
which the parcel or district is located, for up to thirty years. 723
The percentage of the improvements exempted from taxation may, 724
with such approval, exceed seventy-five per cent, but shall not 725
exceed one hundred per cent. Not later than forty-five business 726
days prior to adopting a resolution under this section declaring 727
improvements to be a public purpose that is subject to approval 728
by a board of education under this division, the board of 729
township trustees shall deliver to the board of education a 730
notice stating its intent to adopt a resolution making that 731
declaration. The notice regarding improvements with respect to a 732
parcel under division (B) of this section shall identify the 733
parcels for which improvements are to be exempted from taxation, 734
provide an estimate of the true value in money of the 735
improvements, specify the period for which the improvements 736
would be exempted from taxation and the percentage of the 737
improvements that would be exempted, and indicate the date on 738
which the board of township trustees intends to adopt the 739
resolution. The notice regarding improvements made under 740
division (C) of this section to parcels within an incentive 741
district shall delineate the boundaries of the district, 742
specifically identify each parcel within the district, identify 743
each anticipated improvement in the district, provide an 744
estimate of the true value in money of each such improvement, 745
specify the life of the district and the percentage of 746
improvements that would be exempted, and indicate the date on 747
which the board of township trustees intends to adopt the 748

resolution. The board of education, by resolution adopted by a 749
majority of the board, may approve the exemption for the period 750
or for the exemption percentage specified in the notice; may 751
disapprove the exemption for the number of years in excess of 752
ten, may disapprove the exemption for the percentage of the 753
improvements to be exempted in excess of seventy-five per cent, 754
or both; or may approve the exemption on the condition that the 755
board of township trustees and the board of education negotiate 756
an agreement providing for compensation to the school district 757
equal in value to a percentage of the amount of taxes exempted 758
in the eleventh and subsequent years of the exemption period or, 759
in the case of exemption percentages in excess of seventy-five 760
per cent, compensation equal in value to a percentage of the 761
taxes that would be payable on the portion of the improvements 762
in excess of seventy-five per cent were that portion to be 763
subject to taxation, or other mutually agreeable compensation. 764

The board of education shall certify its resolution to the 765
board of township trustees not later than fourteen days prior to 766
the date the board of township trustees intends to adopt the 767
resolution as indicated in the notice. If the board of education 768
and the board of township trustees negotiate a mutually 769
acceptable compensation agreement, the resolution may declare 770
the improvements a public purpose for the number of years 771
specified in the resolution or, in the case of exemption 772
percentages in excess of seventy-five per cent, for the 773
exemption percentage specified in the resolution. In either 774
case, if the board of education and the board of township 775
trustees fail to negotiate a mutually acceptable compensation 776
agreement, the resolution may declare the improvements a public 777
purpose for not more than ten years, and shall not exempt more 778
than seventy-five per cent of the improvements from taxation. If 779

the board of education fails to certify a resolution to the 780
board of township trustees within the time prescribed by this 781
section, the board of township trustees thereupon may adopt the 782
resolution and may declare the improvements a public purpose for 783
up to thirty years or, in the case of exemption percentages 784
proposed in excess of seventy-five per cent, for the exemption 785
percentage specified in the resolution. The board of township 786
trustees may adopt the resolution at any time after the board of 787
education certifies its resolution approving the exemption to 788
the board of township trustees, or, if the board of education 789
approves the exemption on the condition that a mutually 790
acceptable compensation agreement be negotiated, at any time 791
after the compensation agreement is agreed to by the board of 792
education and the board of township trustees. If a mutually 793
acceptable compensation agreement is negotiated between the 794
board of township trustees and the board of education, including 795
agreements for payments in lieu of taxes under section 5709.74 796
of the Revised Code, the board of township trustees shall 797
compensate the joint vocational school district within which the 798
parcel or district is located at the same rate and under the 799
same terms received by the city, local, or exempted village 800
school district. 801

If a board of education has adopted a resolution waiving 802
its right to approve exemptions from taxation under this section 803
and the resolution remains in effect, approval of such 804
exemptions by the board of education is not required under 805
division (D) of this section. If a board of education has 806
adopted a resolution allowing a board of township trustees to 807
deliver the notice required under division (D) of this section 808
fewer than forty-five business days prior to adoption of the 809
resolution by the board of township trustees, the board of 810

township trustees shall deliver the notice to the board of 811
education not later than the number of days prior to the 812
adoption as prescribed by the board of education in its 813
resolution. If a board of education adopts a resolution waiving 814
its right to approve exemptions or shortening the notification 815
period, the board of education shall certify a copy of the 816
resolution to the board of township trustees. If the board of 817
education rescinds the resolution, it shall certify notice of 818
the rescission to the board of township trustees. 819

If the board of township trustees is not required by 820
division (D) of this section to notify the board of education of 821
the board of township trustees' intent to declare improvements 822
to be a public purpose, the board of township trustees shall 823
comply with the notice requirements imposed under section 824
5709.83 of the Revised Code before taking formal action to adopt 825
the resolution making that declaration, unless the board of 826
education has adopted a resolution under that section waiving 827
its right to receive the notice. 828

(E) (1) If a proposed resolution under division (C) (1) of 829
this section exempts improvements with respect to a parcel 830
within an incentive district for more than ten years, or the 831
percentage of the improvement exempted from taxation exceeds 832
seventy-five per cent, not later than forty-five business days 833
prior to adopting the resolution the board of township trustees 834
shall deliver to the board of county commissioners of the county 835
within which the incentive district is or will be located a 836
notice that states its intent to adopt a resolution creating an 837
incentive district. The notice shall include a copy of the 838
proposed resolution, identify the parcels for which improvements 839
are to be exempted from taxation, provide an estimate of the 840
true value in money of the improvements, specify the period of 841

time for which the improvements would be exempted from taxation, 842
specify the percentage of the improvements that would be 843
exempted from taxation, and indicate the date on which the board 844
of township trustees intends to adopt the resolution. 845

(2) The board of county commissioners, by resolution 846
adopted by a majority of the board, may object to the exemption 847
for the number of years in excess of ten, may object to the 848
exemption for the percentage of the improvement to be exempted 849
in excess of seventy-five per cent, or both. If the board of 850
county commissioners objects, the board may negotiate a mutually 851
acceptable compensation agreement with the board of township 852
trustees. In no case shall the compensation provided to the 853
board of county commissioners exceed the property taxes foregone 854
due to the exemption. If the board of county commissioners 855
objects, and the board of county commissioners and board of 856
township trustees fail to negotiate a mutually acceptable 857
compensation agreement, the resolution adopted under division 858
(C) (1) of this section shall provide to the board of county 859
commissioners compensation in the eleventh and subsequent years 860
of the exemption period equal in value to not more than fifty 861
per cent of the taxes that would be payable to the county or, if 862
the board of county commissioner's objection includes an 863
objection to an exemption percentage in excess of seventy-five 864
per cent, compensation equal in value to not more than fifty per 865
cent of the taxes that would be payable to the county, on the 866
portion of the improvement in excess of seventy-five per cent, 867
were that portion to be subject to taxation. The board of county 868
commissioners shall certify its resolution to the board of 869
township trustees not later than thirty days after receipt of 870
the notice. 871

(3) If the board of county commissioners does not object 872

or fails to certify its resolution objecting to an exemption 873
within thirty days after receipt of the notice, the board of 874
township trustees may adopt its resolution, and no compensation 875
shall be provided to the board of county commissioners. If the 876
board of county commissioners timely certifies its resolution 877
objecting to the trustees' resolution, the board of township 878
trustees may adopt its resolution at any time after a mutually 879
acceptable compensation agreement is agreed to by the board of 880
county commissioners and the board of township trustees, or, if 881
no compensation agreement is negotiated, at any time after the 882
board of township trustees agrees in the proposed resolution to 883
provide compensation to the board of county commissioners of 884
fifty per cent of the taxes that would be payable to the county 885
in the eleventh and subsequent years of the exemption period or 886
on the portion of the improvement in excess of seventy-five per 887
cent, were that portion to be subject to taxation. 888

(F) Service payments in lieu of taxes that are 889
attributable to any amount by which the effective tax rate of 890
either a renewal levy with an increase or a replacement levy 891
exceeds the effective tax rate of the levy renewed or replaced, 892
or that are attributable to an additional levy, for a levy 893
authorized by the voters for any of the following purposes on or 894
after January 1, 2006, and which are provided pursuant to a 895
resolution creating an incentive district under division (C)(1) 896
of this section that is adopted on or after January 1, 2006, 897
shall be distributed to the appropriate taxing authority as 898
required under division (C) of section 5709.74 of the Revised 899
Code in an amount equal to the amount of taxes from that 900
additional levy or from the increase in the effective tax rate 901
of such renewal or replacement levy that would have been payable 902
to that taxing authority from the following levies were it not 903

for the exemption authorized under division (C) of this section:	904
(1) A tax levied under division (L) of section 5705.19 or	905
section 5705.191 of the Revised Code for community mental	906
retardation and developmental disabilities programs and services	907
pursuant to Chapter 5126. of the Revised Code;	908
(2) A tax levied under division (Y) of section 5705.19 of	909
the Revised Code for providing or maintaining senior citizens	910
services or facilities;	911
(3) A tax levied under section 5705.22 of the Revised Code	912
for county hospitals;	913
(4) A tax levied by a joint-county district or by a county	914
under section 5705.19, 5705.191, or 5705.221 of the Revised Code	915
for alcohol, drug addiction, and mental health services or	916
families;	917
(5) A tax levied under section 5705.23 of the Revised Code	918
for library purposes;	919
(6) A tax levied under section 5705.24 of the Revised Code	920
for the support of children services and the placement and care	921
of children;	922
(7) A tax levied under division (Z) of section 5705.19 of	923
the Revised Code for the provision and maintenance of zoological	924
park services and facilities under section 307.76 of the Revised	925
Code;	926
(8) A tax levied under section 511.27 or division (H) of	927
section 5705.19 of the Revised Code for the support of township	928
park districts;	929
(9) A tax levied under division (A), (F), or (H) of	930
section 5705.19 of the Revised Code for parks and recreational	931

purposes of a joint recreation district organized pursuant to 932
division (B) of section 755.14 of the Revised Code; 933

(10) A tax levied under section 1545.20 or 1545.21 of the 934
Revised Code for park district purposes; 935

(11) A tax levied under section 5705.191 of the Revised 936
Code for the purpose of making appropriations for public 937
assistance; human or social services; public relief; public 938
welfare; public health and hospitalization; and support of 939
general hospitals; 940

(12) A tax levied under section 3709.29 of the Revised 941
Code for a general health district program. 942

(G) An exemption from taxation granted under this section 943
commences with the tax year specified in the resolution so long 944
as the year specified in the resolution commences after the 945
effective date of the resolution. If the resolution specifies a 946
year commencing before the effective date of the resolution or 947
specifies no year whatsoever, the exemption commences with the 948
tax year in which an exempted improvement first appears on the 949
tax list and duplicate of real and public utility property and 950
that commences after the effective date of the resolution. In 951
lieu of stating a specific year, the resolution may provide that 952
the exemption commences in the tax year in which the value of an 953
improvement exceeds a specified amount or in which the 954
construction of one or more improvements is completed, provided 955
that such tax year commences after the effective date of the 956
resolution. With respect to the exemption of improvements to 957
parcels under division (B) of this section, the resolution may 958
allow for the exemption to commence in different tax years on a 959
parcel-by-parcel basis, with a separate exemption term specified 960
for each parcel. 961

Except as otherwise provided in this division, the 962
exemption ends on the date specified in the resolution as the 963
date the improvement ceases to be a public purpose or the 964
incentive district expires, or ends on the date on which the 965
public infrastructure improvements and housing renovations are 966
paid in full from the township public improvement tax increment 967
equivalent fund established under section 5709.75 of the Revised 968
Code, whichever occurs first. The exemption of an improvement 969
with respect to a parcel or within an incentive district may end 970
on a later date, as specified in the resolution, if the board of 971
township trustees and the board of education of the city, local, 972
or exempted village school district within which the parcel or 973
district is located have entered into a compensation agreement 974
under section 5709.82 of the Revised Code with respect to the 975
improvement and the board of education has approved the term of 976
the exemption under division (D) of this section, but in no case 977
shall the improvement be exempted from taxation for more than 978
thirty years. The board of township trustees may, by majority 979
vote, adopt a resolution permitting the township to enter into 980
such agreements as the board finds necessary or appropriate to 981
provide for the construction or undertaking of public 982
infrastructure improvements and housing renovations. Any 983
exemption shall be claimed and allowed in the same or a similar 984
manner as in the case of other real property exemptions. If an 985
exemption status changes during a tax year, the procedure for 986
the apportionment of the taxes for that year is the same as in 987
the case of other changes in tax exemption status during the 988
year. 989

(H) The board of township trustees may issue the notes of 990
the township to finance all costs pertaining to the construction 991
or undertaking of public infrastructure improvements and housing 992

renovations made pursuant to this section. The notes shall be 993
signed by the board and attested by the signature of the 994
township fiscal officer, shall bear interest not to exceed the 995
rate provided in section 9.95 of the Revised Code, and are not 996
subject to Chapter 133. of the Revised Code. The resolution 997
authorizing the issuance of the notes shall pledge the funds of 998
the township public improvement tax increment equivalent fund 999
established pursuant to section 5709.75 of the Revised Code to 1000
pay the interest on and principal of the notes. The notes, which 1001
may contain a clause permitting prepayment at the option of the 1002
board, shall be offered for sale on the open market or given to 1003
the vendor or contractor if no sale is made. 1004

(I) The township, not later than fifteen days after the 1005
adoption of a resolution under this section, shall submit to the 1006
director of development services a copy of the resolution. On or 1007
before the thirty-first day of March of each year, the township 1008
shall submit a status report to the director of development 1009
services. The report shall indicate, in the manner prescribed by 1010
the director, the progress of the project during each year that 1011
the exemption remains in effect, including a summary of the 1012
receipts from service payments in lieu of taxes; expenditures of 1013
money from the fund created under section 5709.75 of the Revised 1014
Code; a description of the public infrastructure improvements 1015
and housing renovations financed with the expenditures; and a 1016
quantitative summary of changes in private investment resulting 1017
from each project. 1018

(J) Nothing in this section shall be construed to prohibit 1019
a board of township trustees from declaring to be a public 1020
purpose improvements with respect to more than one parcel. 1021

If a parcel is located in a new community district in 1022

which the new community authority imposes a community 1023
development charge on the basis of rentals received from leases 1024
of real property as described in division (L) (2) of section 1025
349.01 of the Revised Code, the parcel may not be exempted from 1026
taxation under this section. 1027

(K) A board of township trustees that adopted a resolution 1028
under this section prior to July 21, 1994, may amend that 1029
resolution to include any additional public infrastructure 1030
improvement. A board of township trustees that seeks by the 1031
amendment to utilize money from its township public improvement 1032
tax increment equivalent fund for land acquisition in aid of 1033
industry, commerce, distribution, or research, demolition on 1034
private property, or stormwater and flood remediation projects 1035
may do so provided that the board currently is a party to a 1036
hold-harmless agreement with the board of education of the city, 1037
local, or exempted village school district within the territory 1038
of which are located the parcels that are subject to an 1039
exemption. For the purposes of this division, a "hold-harmless 1040
agreement" means an agreement under which the board of township 1041
trustees agrees to compensate the school district for one 1042
hundred per cent of the tax revenue that the school district 1043
would have received from further improvements to parcels 1044
designated in the resolution were it not for the exemption 1045
granted by the resolution. 1046

(L) Notwithstanding the limitation prescribed by division 1047
(D) of this section on the number of years that improvements to 1048
a parcel or parcels may be exempted from taxation, a board of 1049
trustees of a township with a population of fifteen thousand or 1050
more may amend a resolution originally adopted under this 1051
section before December 31, 1994, to extend the exemption of 1052
improvements to the parcel or parcels included in such 1053

resolution for an additional period not to exceed fifteen years. 1054
The amendment shall not increase the percentage of improvements 1055
to the parcel or parcels exempted from taxation. The board of 1056
township trustees shall comply with the notice requirements 1057
imposed under section 5709.83 of the Revised Code before taking 1058
formal action to adopt an amendment authorized under this 1059
division unless the board of education has adopted a resolution 1060
under that section waiving its right to receive the notice. The 1061
board of township trustees shall deliver an identical notice to 1062
the board of county commissioners of each county in which the 1063
exempted parcels are located. 1064

Sec. 5709.77. As used in sections 5709.77 to 5709.81 of 1065
the Revised Code: 1066

(A) "Business day" means a day of the week excluding 1067
Saturday, Sunday, and a legal holiday as defined in section 1.14 1068
of the Revised Code. 1069

(B) "Fund" means to provide for the payment of the debt 1070
service on and the expenses relating to an outstanding 1071
obligation of the county. 1072

(C) "Housing renovation" means a project carried out for 1073
residential purposes. 1074

(D) "Improvement" means the increase in the assessed value 1075
of real property that would first appear on the tax list and 1076
duplicate of real and public utility property after the 1077
effective date of a resolution adopted under section 5709.78 of 1078
the Revised Code were it not for the exemption granted by that 1079
resolution. For purposes of division (A) of section 5709.78 of 1080
the Revised Code, "improvement" does not include any property 1081
used or to be used for residential purposes. For this purpose, 1082

"property that is used or to be used for residential purposes" 1083
means property that, as improved, is used or to be used for 1084
purposes that would cause the tax commissioner to classify the 1085
property as residential property in accordance with rules 1086
adopted by the commissioner under section 5713.041 of the 1087
Revised Code. 1088

(E) "Incentive district" has the same meaning as in 1089
section 5709.40 of the Revised Code, except that a blighted area 1090
is in the unincorporated territory of a county. 1091

(F) "Refund" means to fund and retire an outstanding 1092
obligation of the county. 1093

(G) "Overlay" has the same meaning as in section 5709.40 1094
of the Revised Code, except that the overlay is delineated by 1095
the board of county commissioners. 1096

(H) "Project" and "public infrastructure improvement" have 1097
the same meanings as in section 5709.40 of the Revised Code. 1098

Sec. 5709.78. (A) A board of county commissioners may, by 1099
resolution, declare improvements to certain parcels of real 1100
property located in the unincorporated territory of the county 1101
to be a public purpose. Except with the approval under division 1102
(C) of this section of the board of education of each city, 1103
local, or exempted village school district within which the 1104
improvements are located, not more than seventy-five per cent of 1105
an improvement thus declared to be a public purpose may be 1106
exempted from real property taxation, for a period of not more 1107
than ten years. The resolution shall specify the percentage of 1108
the improvement to be exempted and the life of the exemption. 1109

A resolution adopted under this division shall designate 1110
the specific public infrastructure improvements made, to be 1111

made, or in the process of being made by the county that 1112
directly benefit, or that once made will directly benefit, the 1113
parcels for which improvements are declared to be a public 1114
purpose. The service payments provided for in section 5709.79 of 1115
the Revised Code shall be used to finance the public 1116
infrastructure improvements designated in the resolution, or as 1117
provided in section 5709.80 of the Revised Code. 1118

(B) (1) A board of county commissioners may adopt a 1119
resolution creating an incentive district and declaring 1120
improvements to parcels within the district to be a public 1121
purpose and, except as provided in division ~~(E)~~ (B) (2) of this 1122
section, exempt from taxation as provided in this section, but 1123
no board of county commissioners of a county that has a 1124
population that exceeds twenty-five thousand, as shown by the 1125
most recent federal decennial census, shall adopt a resolution 1126
that creates an incentive district if the sum of the taxable 1127
value of real property in the proposed district for the 1128
preceding tax year and the taxable value of all real property in 1129
the county that would have been taxable in the preceding year 1130
were it not for the fact that the property was in an existing 1131
incentive district and therefore exempt from taxation exceeds 1132
twenty-five per cent of the taxable value of real property in 1133
the county for the preceding tax year. The district shall be 1134
located within the unincorporated territory of the county and 1135
shall not include any territory that is included within a 1136
district created under division (C) of section 5709.73 of the 1137
Revised Code. The resolution shall delineate the boundary of the 1138
proposed district and specifically identify each parcel within 1139
the district. A proposed district may not include any parcel 1140
that is or has been exempted from taxation under division (A) of 1141
this section or that is or has been within another district 1142

created under this division. A resolution may create more than 1143
one such district, and more than one resolution may be adopted 1144
under division (B) (1) of this section. 1145

(2) (a) Not later than thirty days prior to adopting a 1146
resolution under division (B) (1) of this section, if the county 1147
intends to apply for exemptions from taxation under section 1148
5709.911 of the Revised Code on behalf of owners of real 1149
property located within the proposed incentive district, the 1150
board of county commissioners shall conduct a public hearing on 1151
the proposed resolution. Not later than thirty days prior to the 1152
public hearing, the board shall give notice of the public 1153
hearing and the proposed resolution by first class mail to every 1154
real property owner whose property is located within the 1155
boundaries of the proposed incentive district that is the 1156
subject of the proposed resolution. The board also shall provide 1157
the notice by first class mail to the clerk of each township in 1158
which the proposed incentive district will be located. The 1159
notice shall include a map of the proposed incentive district on 1160
which the board of county commissioners shall have delineated an 1161
overlay. The notice shall inform property owners of the owner's 1162
right to exclude the owner's property from the incentive 1163
district if the owner's entire parcel of property will not be 1164
located within the overlay, by submitting a written response in 1165
accordance with division (B) (2) (b) of this section. The notice 1166
also shall include information detailing the required contents 1167
of the response, the address to which the response may be 1168
mailed, and the deadline for submitting the response. 1169

(b) Any owner of real property located within the 1170
boundaries of an incentive district proposed under division (B) 1171
(1) of this section whose entire parcel of property is not 1172
located within the overlay may exclude the property from the 1173

proposed incentive district by submitting a written response to 1174
the board not later than forty-five days after the postmark date 1175
on the notice required under division (B) (2) (a) of this section. 1176
The response shall be sent by first class mail or delivered in 1177
person at a public hearing held by the board under division (B) 1178
(2) (a) of this section. The response shall conform to any 1179
content requirements that may be established by the board and 1180
included in the notice provided under division (B) (2) (a) of this 1181
section. In the response, property owners may identify a parcel 1182
by street address, by the manner in which it is identified in 1183
the resolution, or by other means allowing the identity of the 1184
parcel to be ascertained. 1185

(c) Before adopting a resolution under division (B) (1) of 1186
this section, the board shall amend the resolution to exclude 1187
any parcel located wholly or partly outside the overlay for 1188
which a written response has been submitted under division (B) 1189
(2) (b) of this section. A county shall not apply for exemptions 1190
from taxation under section 5709.911 of the Revised Code for any 1191
such parcel, and service payments may not be required from the 1192
owner of the parcel. Improvements to a parcel excluded from an 1193
incentive district under this division may be exempted from 1194
taxation under division (A) of this section pursuant to a 1195
resolution adopted under that division or under any other 1196
section of the Revised Code under which the parcel qualifies. 1197

(3) (a) A resolution adopted under division (B) (1) of this 1198
section shall specify the life of the incentive district and the 1199
percentage of the improvements to be exempted, shall designate 1200
the public infrastructure improvements made, to be made, or in 1201
the process of being made, that benefit or serve, or, once made, 1202
will benefit or serve parcels in the district. The resolution 1203
also shall identify one or more specific projects being, or to 1204

be, undertaken in the district that place additional demand on 1205
the public infrastructure improvements designated in the 1206
resolution. The project identified may, but need not be, the 1207
project under division (B) (3) (b) of this section that places 1208
real property in use for commercial or industrial purposes. 1209

A resolution adopted under division (B) (1) of this section 1210
on or after March 30, 2006, shall not designate police or fire 1211
equipment as public infrastructure improvements, and no service 1212
payment provided for in section 5709.79 of the Revised Code and 1213
received by the county under the resolution shall be used for 1214
police or fire equipment. 1215

(b) A resolution adopted under division (B) (1) of this 1216
section may authorize the use of service payments provided for 1217
in section 5709.79 of the Revised Code for the purpose of 1218
housing renovations within the incentive district, provided that 1219
the resolution also designates public infrastructure 1220
improvements that benefit or serve the district, and that a 1221
project within the district places real property in use for 1222
commercial or industrial purposes. Service payments may be used 1223
to finance or support loans, deferred loans, and grants to 1224
persons for the purpose of housing renovations within the 1225
district. The resolution shall designate the parcels within the 1226
district that are eligible for housing renovations. The 1227
resolution shall state separately the amount or the percentages 1228
of the expected aggregate service payments that are designated 1229
for each public infrastructure improvement and for the purpose 1230
of housing renovations. 1231

(4) Except with the approval of the board of education of 1232
each city, local, or exempted village school district within the 1233
territory of which the incentive district is or will be located, 1234

and subject to division (D) of this section, the life of an 1235
incentive district shall not exceed ten years, and the 1236
percentage of improvements to be exempted shall not exceed 1237
seventy-five per cent. With approval of the board of education, 1238
the life of a district may be not more than thirty years, and 1239
the percentage of improvements to be exempted may be not more 1240
than one hundred per cent. The approval of a board of education 1241
shall be obtained in the manner provided in division (C) of this 1242
section. 1243

(C) (1) Improvements with respect to a parcel may be 1244
exempted from taxation under division (A) of this section, and 1245
improvements to parcels within an incentive district may be 1246
exempted from taxation under division (B) of this section, for 1247
up to ten years or, with the approval of the board of education 1248
of each city, local, or exempted village school district within 1249
which the parcel or district is located, for up to thirty years. 1250
The percentage of the improvements exempted from taxation may, 1251
with such approval, exceed seventy-five per cent, but shall not 1252
exceed one hundred per cent. Not later than forty-five business 1253
days prior to adopting a resolution under this section declaring 1254
improvements to be a public purpose that is subject to the 1255
approval of a board of education under this division, the board 1256
of county commissioners shall deliver to the board of education 1257
a notice stating its intent to adopt a resolution making that 1258
declaration. The notice regarding improvements with respect to a 1259
parcel under division (A) of this section shall identify the 1260
parcels for which improvements are to be exempted from taxation, 1261
provide an estimate of the true value in money of the 1262
improvements, specify the period for which the improvements 1263
would be exempted from taxation and the percentage of the 1264
improvements that would be exempted, and indicate the date on 1265

which the board of county commissioners intends to adopt the 1266
resolution. The notice regarding improvements to parcels within 1267
an incentive district under division (B) of this section shall 1268
delineate the boundaries of the district, specifically identify 1269
each parcel within the district, identify each anticipated 1270
improvement in the district, provide an estimate of the true 1271
value in money of each such improvement, specify the life of the 1272
district and the percentage of improvements that would be 1273
exempted, and indicate the date on which the board of county 1274
commissioners intends to adopt the resolution. The board of 1275
education, by resolution adopted by a majority of the board, may 1276
approve the exemption for the period or for the exemption 1277
percentage specified in the notice; may disapprove the exemption 1278
for the number of years in excess of ten, may disapprove the 1279
exemption for the percentage of the improvements to be exempted 1280
in excess of seventy-five per cent, or both; or may approve the 1281
exemption on the condition that the board of county 1282
commissioners and the board of education negotiate an agreement 1283
providing for compensation to the school district equal in value 1284
to a percentage of the amount of taxes exempted in the eleventh 1285
and subsequent years of the exemption period or, in the case of 1286
exemption percentages in excess of seventy-five per cent, 1287
compensation equal in value to a percentage of the taxes that 1288
would be payable on the portion of the improvements in excess of 1289
seventy-five per cent were that portion to be subject to 1290
taxation, or other mutually agreeable compensation. 1291

(2) The board of education shall certify its resolution to 1292
the board of county commissioners not later than fourteen days 1293
prior to the date the board of county commissioners intends to 1294
adopt its resolution as indicated in the notice. If the board of 1295
education and the board of county commissioners negotiate a 1296

mutually acceptable compensation agreement, the resolution of 1297
the board of county commissioners may declare the improvements a 1298
public purpose for the number of years specified in that 1299
resolution or, in the case of exemption percentages in excess of 1300
seventy-five per cent, for the exemption percentage specified in 1301
the resolution. In either case, if the board of education and 1302
the board of county commissioners fail to negotiate a mutually 1303
acceptable compensation agreement, the resolution may declare 1304
the improvements a public purpose for not more than ten years, 1305
and shall not exempt more than seventy-five per cent of the 1306
improvements from taxation. If the board of education fails to 1307
certify a resolution to the board of county commissioners within 1308
the time prescribed by this section, the board of county 1309
commissioners thereupon may adopt the resolution and may declare 1310
the improvements a public purpose for up to thirty years or, in 1311
the case of exemption percentages proposed in excess of seventy- 1312
five per cent, for the exemption percentage specified in the 1313
resolution. The board of county commissioners may adopt the 1314
resolution at any time after the board of education certifies 1315
its resolution approving the exemption to the board of county 1316
commissioners, or, if the board of education approves the 1317
exemption on the condition that a mutually acceptable 1318
compensation agreement be negotiated, at any time after the 1319
compensation agreement is agreed to by the board of education 1320
and the board of county commissioners. If a mutually acceptable 1321
compensation agreement is negotiated between the board of county 1322
commissioners and the board of education, including agreements 1323
for payments in lieu of taxes under section 5709.79 of the 1324
Revised Code, the board of county commissioners shall compensate 1325
the joint vocational school district within which the parcel or 1326
district is located at the same rate and under the same terms 1327
received by the city, local, or exempted village school 1328

district. 1329

(3) If a board of education has adopted a resolution 1330
waiving its right to approve exemptions from taxation under this 1331
section and the resolution remains in effect, approval of such 1332
exemptions by the board of education is not required under 1333
division (C) of this section. If a board of education has 1334
adopted a resolution allowing a board of county commissioners to 1335
deliver the notice required under division (C) of this section 1336
fewer than forty-five business days prior to approval of the 1337
resolution by the board of county commissioners, the board of 1338
county commissioners shall deliver the notice to the board of 1339
education not later than the number of days prior to such 1340
approval as prescribed by the board of education in its 1341
resolution. If a board of education adopts a resolution waiving 1342
its right to approve exemptions or shortening the notification 1343
period, the board of education shall certify a copy of the 1344
resolution to the board of county commissioners. If the board of 1345
education rescinds such a resolution, it shall certify notice of 1346
the rescission to the board of county commissioners. 1347

(D) (1) If a proposed resolution under division (B) (1) of 1348
this section exempts improvements with respect to a parcel 1349
within an incentive district for more than ten years, or the 1350
percentage of the improvement exempted from taxation exceeds 1351
seventy-five per cent, not later than forty-five business days 1352
prior to adopting the resolution the board of county 1353
commissioners shall deliver to the board of township trustees of 1354
any township within which the incentive district is or will be 1355
located a notice that states its intent to adopt a resolution 1356
creating an incentive district. The notice shall include a copy 1357
of the proposed resolution, identify the parcels for which 1358
improvements are to be exempted from taxation, provide an 1359

estimate of the true value in money of the improvements, specify 1360
the period of time for which the improvements would be exempted 1361
from taxation, specify the percentage of the improvements that 1362
would be exempted from taxation, and indicate the date on which 1363
the board intends to adopt the resolution. 1364

(2) The board of township trustees, by resolution adopted 1365
by a majority of the board, may object to the exemption for the 1366
number of years in excess of ten, may object to the exemption 1367
for the percentage of the improvement to be exempted in excess 1368
of seventy-five per cent, or both. If the board of township 1369
trustees objects, the board of township trustees may negotiate a 1370
mutually acceptable compensation agreement with the board of 1371
county commissioners. In no case shall the compensation provided 1372
to the board of township trustees exceed the property taxes 1373
forgone due to the exemption. If the board of township trustees 1374
objects, and the board of township trustees and the board of 1375
county commissioners fail to negotiate a mutually acceptable 1376
compensation agreement, the resolution adopted under division 1377
(B)(1) of this section shall provide to the board of township 1378
trustees compensation in the eleventh and subsequent years of 1379
the exemption period equal in value to not more than fifty per 1380
cent of the taxes that would be payable to the township or, if 1381
the board of township trustee's objection includes an objection 1382
to an exemption percentage in excess of seventy-five per cent, 1383
compensation equal in value to not more than fifty per cent of 1384
the taxes that would be payable to the township on the portion 1385
of the improvement in excess of seventy-five per cent, were that 1386
portion to be subject to taxation. The board of township 1387
trustees shall certify its resolution to the board of county 1388
commissioners not later than thirty days after receipt of the 1389
notice. 1390

(3) If the board of township trustees does not object or 1391
fails to certify a resolution objecting to an exemption within 1392
thirty days after receipt of the notice, the board of county 1393
commissioners may adopt its resolution, and no compensation 1394
shall be provided to the board of township trustees. If the 1395
board of township trustees certifies its resolution objecting to 1396
the commissioners' resolution, the board of county commissioners 1397
may adopt its resolution at any time after a mutually acceptable 1398
compensation agreement is agreed to by the board of county 1399
commissioners and the board of township trustees. If the board 1400
of township trustees certifies a resolution objecting to the 1401
commissioners' resolution, the board of county commissioners may 1402
adopt its resolution at any time after a mutually acceptable 1403
compensation agreement is agreed to by the board of county 1404
commissioners and the board of township trustees, or, if no 1405
compensation agreement is negotiated, at any time after the 1406
board of county commissioners in the proposed resolution to 1407
provide compensation to the board of township trustees of fifty 1408
per cent of the taxes that would be payable to the township in 1409
the eleventh and subsequent years of the exemption period or on 1410
the portion of the improvement in excess of seventy-five per 1411
cent, were that portion to be subject to taxation. 1412

(E) Service payments in lieu of taxes that are 1413
attributable to any amount by which the effective tax rate of 1414
either a renewal levy with an increase or a replacement levy 1415
exceeds the effective tax rate of the levy renewed or replaced, 1416
or that are attributable to an additional levy, for a levy 1417
authorized by the voters for any of the following purposes on or 1418
after January 1, 2006, and which are provided pursuant to a 1419
resolution creating an incentive district under division (B)(1) 1420
of this section that is adopted on or after January 1, 2006, 1421

shall be distributed to the appropriate taxing authority as 1422
required under division (D) of section 5709.79 of the Revised 1423
Code in an amount equal to the amount of taxes from that 1424
additional levy or from the increase in the effective tax rate 1425
of such renewal or replacement levy that would have been payable 1426
to that taxing authority from the following levies were it not 1427
for the exemption authorized under division (B) of this section: 1428

(1) A tax levied under division (L) of section 5705.19 or 1429
section 5705.191 of the Revised Code for community mental 1430
retardation and developmental disabilities programs and services 1431
pursuant to Chapter 5126. of the Revised Code; 1432

(2) A tax levied under division (Y) of section 5705.19 of 1433
the Revised Code for providing or maintaining senior citizens 1434
services or facilities; 1435

(3) A tax levied under section 5705.22 of the Revised Code 1436
for county hospitals; 1437

(4) A tax levied by a joint-county district or by a county 1438
under section 5705.19, 5705.191, or 5705.221 of the Revised Code 1439
for alcohol, drug addiction, and mental health services or 1440
facilities; 1441

(5) A tax levied under section 5705.23 of the Revised Code 1442
for library purposes; 1443

(6) A tax levied under section 5705.24 of the Revised Code 1444
for the support of children services and the placement and care 1445
of children; 1446

(7) A tax levied under division (Z) of section 5705.19 of 1447
the Revised Code for the provision and maintenance of zoological 1448
park services and facilities under section 307.76 of the Revised 1449
Code; 1450

(8) A tax levied under section 511.27 or division (H) of 1451
section 5705.19 of the Revised Code for the support of township 1452
park districts; 1453

(9) A tax levied under division (A), (F), or (H) of 1454
section 5705.19 of the Revised Code for parks and recreational 1455
purposes of a joint recreation district organized pursuant to 1456
division (B) of section 755.14 of the Revised Code; 1457

(10) A tax levied under section 1545.20 or 1545.21 of the 1458
Revised Code for park district purposes; 1459

(11) A tax levied under section 5705.191 of the Revised 1460
Code for the purpose of making appropriations for public 1461
assistance; human or social services; public relief; public 1462
welfare; public health and hospitalization; and support of 1463
general hospitals; 1464

(12) A tax levied under section 3709.29 of the Revised 1465
Code for a general health district program. 1466

(F) An exemption from taxation granted under this section 1467
commences with the tax year specified in the resolution so long 1468
as the year specified in the resolution commences after the 1469
effective date of the resolution. If the resolution specifies a 1470
year commencing before the effective date of the resolution or 1471
specifies no year whatsoever, the exemption commences with the 1472
tax year in which an exempted improvement first appears on the 1473
tax list and duplicate of real and public utility property and 1474
that commences after the effective date of the resolution. In 1475
lieu of stating a specific year, the resolution may provide that 1476
the exemption commences in the tax year in which the value of an 1477
improvement exceeds a specified amount or in which the 1478
construction of one or more improvements is completed, provided 1479

that such tax year commences after the effective date of the 1480
resolution. With respect to the exemption of improvements to 1481
parcels under division (A) of this section, the resolution may 1482
allow for the exemption to commence in different tax years on a 1483
parcel-by-parcel basis, with a separate exemption term specified 1484
for each parcel. 1485

Except as otherwise provided in this division, the 1486
exemption ends on the date specified in the resolution as the 1487
date the improvement ceases to be a public purpose or the 1488
incentive district expires, or ends on the date on which the 1489
county can no longer require annual service payments in lieu of 1490
taxes under section 5709.79 of the Revised Code, whichever 1491
occurs first. The exemption of an improvement with respect to a 1492
parcel or within an incentive district may end on a later date, 1493
as specified in the resolution, if the board of commissioners 1494
and the board of education of the city, local, or exempted 1495
village school district within which the parcel or district is 1496
located have entered into a compensation agreement under section 1497
5709.82 of the Revised Code with respect to the improvement, and 1498
the board of education has approved the term of the exemption 1499
under division (C)(1) of this section, but in no case shall the 1500
improvement be exempted from taxation for more than thirty 1501
years. Exemptions shall be claimed and allowed in the same or a 1502
similar manner as in the case of other real property exemptions. 1503
If an exemption status changes during a tax year, the procedure 1504
for the apportionment of the taxes for that year is the same as 1505
in the case of other changes in tax exemption status during the 1506
year. 1507

(G) If the board of county commissioners is not required 1508
by this section to notify the board of education of the board of 1509
county commissioners' intent to declare improvements to be a 1510

public purpose, the board of county commissioners shall comply 1511
with the notice requirements imposed under section 5709.83 of 1512
the Revised Code before taking formal action to adopt the 1513
resolution making that declaration, unless the board of 1514
education has adopted a resolution under that section waiving 1515
its right to receive such a notice. 1516

(H) The county, not later than fifteen days after the 1517
adoption of a resolution under this section, shall submit to the 1518
director of development services a copy of the resolution. On or 1519
before the thirty-first day of March of each year, the county 1520
shall submit a status report to the director of development 1521
services. The report shall indicate, in the manner prescribed by 1522
the director, the progress of the project during each year that 1523
an exemption remains in effect, including a summary of the 1524
receipts from service payments in lieu of taxes; expenditures of 1525
money from the fund created under section 5709.80 of the Revised 1526
Code; a description of the public infrastructure improvements 1527
and housing renovations financed with such expenditures; and a 1528
quantitative summary of changes in employment and private 1529
investment resulting from each project. 1530

(I) Nothing in this section shall be construed to prohibit 1531
a board of county commissioners from declaring to be a public 1532
purpose improvements with respect to more than one parcel. 1533

(J) If a parcel is located in a new community district in 1534
which the new community authority imposes a community 1535
development charge on the basis of rentals received from leases 1536
of real property as described in division (L) (2) of section 1537
349.01 of the Revised Code, the parcel may not be exempted from 1538
taxation under this section. 1539

Sec. 5709.911. (A) (1) A municipal corporation, township, 1540

or county that has enacted an ordinance or resolution under 1541
section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 1542
Revised Code or that has entered into an agreement referred to 1543
in section 725.02 or 1728.07 of the Revised Code may file an 1544
application for exemption under those sections in the same 1545
manner as other real property tax exemptions, notwithstanding 1546
the indication in division (A) of section 5715.27 of the Revised 1547
Code that the owner of the property may file the application. An 1548
application for exemption may not be filed by a municipal 1549
corporation, township, or county for an exemption of a parcel 1550
under section 5709.40, 5709.73, or 5709.78 of the Revised Code 1551
if the property owner excludes the property from such exemption 1552
as provided in that section. 1553

(2) Except as provided in division (B) of this section, if 1554
the application for exemption under section 725.02, 1728.10, 1555
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 1556
Code is filed by a municipal corporation, township, or county 1557
and more than one real property tax exemption applies by law to 1558
the property or a portion of the property, both of the following 1559
apply: 1560

(a) An exemption granted under section 725.02, 1728.10, 1561
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 1562
Code shall be subordinate to an exemption with respect to the 1563
property or portion of the property granted under any other 1564
provision of the Revised Code. 1565

(b) Neither service payments in lieu of taxes under 1566
section 725.04, 5709.42, 5709.46, 5709.74, or 5709.79 of the 1567
Revised Code, nor service charges in lieu of taxes under section 1568
1728.11 or 1728.111 of the Revised Code, shall be required with 1569
respect to the property or portion of the property that is 1570

exempt from real property taxes under that other provision of 1571
the Revised Code during the effective period of the exemption. 1572

(B) (1) If the application for exemption under section 1573
725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 1574
of the Revised Code is filed by the owner of the property or by 1575
a municipal corporation, township, or county with the owner's 1576
written consent attached to the application, and if more than 1577
one real property tax exemption applies by law to the property 1578
or a portion of the property, no other exemption shall be 1579
granted for the portion of the property already exempt under 1580
section 725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 1581
5709.78 of the Revised Code unless the municipal corporation, 1582
township, or county that enacted the authorizing ordinance or 1583
resolution for the earlier exemption provides its duly 1584
authorized written consent to the subsequent exemption by means 1585
of a duly enacted ordinance or resolution. 1586

(2) If the application for exemption under section 725.02, 1587
1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 1588
Revised Code is filed by a municipal corporation, township, or 1589
county and approved by the tax commissioner, if the owner of the 1590
property subsequently provides written consent to the exemption 1591
and the consent is filed with the tax commissioner, and if more 1592
than one real property tax exemption applies by law to the 1593
property or a portion of the property, no other exemption shall 1594
be granted for the portion of the property already exempt under 1595
section 725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 1596
5709.78 of the Revised Code unless the municipal corporation, 1597
township, or county that enacted the authorizing ordinance or 1598
resolution for the earlier exemption provides its duly 1599
authorized written consent to the subsequent exemption by means 1600
of a duly enacted ordinance or resolution. 1601

(C) (1) After the tax commissioner has approved or 1602
partially approved an application for exemption filed by or with 1603
the consent of a property owner under the circumstances 1604
described in division (B) (1) of this section, the municipal 1605
corporation, township, county, or property owner shall file a 1606
notice with the county recorder for the county in which the 1607
property is located that clearly identifies the property and the 1608
owner of the property and states that the property, regardless 1609
of future use or ownership, remains liable for any service 1610
payments or service charges required by the exemption until the 1611
terms of the exemption have been satisfied, unless the municipal 1612
corporation, township, or county consents to the subsequent 1613
exemption and relinquishes its right to collect the service 1614
payments or service charges as provided in division (B) (1) of 1615
this section. The county recorder's office shall charge a fee of 1616
fourteen dollars to record the notice, the proceeds of which 1617
shall be retained by the county. 1618

(2) If a property owner subsequently provides written 1619
consent to an exemption under the circumstances described in 1620
division (B) (2) of this section, the municipal corporation, 1621
township, county, or property owner shall file notice with the 1622
county recorder for the county in which the property is located 1623
that clearly identifies the property and the owner of the 1624
property and states that the property, regardless of future use 1625
or ownership, remains liable for any service payments or service 1626
charges required by the exemption until the terms of the 1627
exemption have been satisfied, unless the municipal corporation, 1628
township, or county consents to the subsequent exemption and 1629
relinquishes its right to collect the service payments or 1630
service charges as provided in division (B) (2) of this section. 1631
The county recorder's office shall charge a fee of fourteen 1632

dollars to record the notice, the proceeds of which shall be 1633
retained by the county. 1634

(D) Upon filing of the notice with the county recorder, 1635
the provisions of division (B) of this section are binding on 1636
all future owners of the property or portion of the property, 1637
regardless of how the property is used. Failure to file the 1638
notice with the county recorder relieves future owners of the 1639
property from the obligation to make service payments in lieu of 1640
taxes under section 725.04, 5709.42, 5709.46, 5709.74, or 1641
5709.79 of the Revised Code or service charges in lieu of taxes 1642
under section 1728.11 or 1728.111 of the Revised Code, if the 1643
property or a portion of the property later qualifies for 1644
exemption under any other provision of the Revised Code. Failure 1645
to file the notice does not, however, relieve the owner of the 1646
property, at the time the application for exemption is filed, 1647
from making those payments or charges. 1648

Section 2. That existing sections 5709.40, 5709.73, 1649
5709.77, 5709.78, and 5709.911 of the Revised Code are hereby 1650
repealed. 1651