

**As Reported by the House Government Accountability and Oversight
Committee**

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Sub. H. B. No. 233

Representative Schuring

**Cosponsors: Representatives Ashford, Baker, Blessing, Boyd, Fedor, Hackett,
Hambley, Kraus, Lepore-Hagan, Patmon, Reineke, Scherer, Sears, Sheehy, Green,
McColley, Brown, Smith, R.**

A BILL

To amend sections 133.04, 133.06, 149.311, 709.024, 1
709.19, 3317.021, 5501.311, 5709.12, 5709.82, 2
5709.83, 5709.831, 5709.832, 5709.85, 5709.91, 3
5709.911, 5709.913, and 5715.27 and to enact 4
sections 1710.14, 1724.12, 5709.45, 5709.46, and 5
5709.47 of the Revised Code to authorize 6
municipal corporations to create downtown 7
redevelopment districts and innovation districts 8
for the purposes of promoting the rehabilitation 9
of historic buildings, creating jobs, 10
encouraging economic development in commercial 11
and mixed-use areas, and supporting grants and 12
loans to technology-oriented and other 13
businesses. 14

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

Section 1. That sections 133.04, 133.06, 149.311, 709.024, 15
709.19, 3317.021, 5501.311, 5709.12, 5709.82, 5709.83, 5709.831, 16
5709.832, 5709.85, 5709.91, 5709.911, 5709.913, and 5715.27 be 17

amended and sections 1710.14, 1724.12, 5709.45, 5709.46, and 18
5709.47 of the Revised Code be enacted to read as follows: 19

Sec. 133.04. (A) As used in this chapter, "net 20
indebtedness" means, as determined pursuant to this section, the 21
principal amount of the outstanding securities of a subdivision 22
less the amount held in a bond retirement fund to the extent 23
such amount is not taken into account in determining the 24
principal amount outstanding under division (AA) of section 25
133.01 of the Revised Code. For purposes of this definition, the 26
principal amount of outstanding securities includes the 27
principal amount of outstanding securities of another 28
subdivision apportioned to the subdivision as a result of 29
acquisition of territory, and excludes the principal amount of 30
outstanding securities of the subdivision apportioned to another 31
subdivision as a result of loss of territory and the payment or 32
reimbursement obligations of the subdivision under credit 33
enhancement facilities relating to outstanding securities. 34

(B) In calculating the net indebtedness of a subdivision, 35
none of the following securities, including anticipatory 36
securities issued in anticipation of their issuance, shall be 37
considered: 38

(1) Securities issued in anticipation of the levy or 39
collection of special assessments, either in original or 40
refunded form; 41

(2) Securities issued in anticipation of the collection of 42
current revenues for the fiscal year or other period not to 43
exceed twelve consecutive months, or securities issued in 44
anticipation of the collection of the proceeds from a 45
specifically identified voter-approved tax levy; 46

(3) Securities issued for purposes described in section 133.12 of the Revised Code;	47 48
(4) Securities issued under Chapter 122., 140., 165., 725., or 761. or section 131.23 of the Revised Code;	49 50
(5) Securities issued to pay final judgments or court-approved settlements under authorizing laws and securities issued under section 2744.081 of the Revised Code;	51 52 53
(6) Securities issued to pay costs of permanent improvements to the extent they are issued in anticipation of the receipt of, and are payable as to principal from, federal or state grants or distributions for, or legally available for, that principal or for the costs of those permanent improvements;	54 55 56 57 58
(7) Securities issued to evidence loans from the state capital improvements fund pursuant to Chapter 164. of the Revised Code or from the state infrastructure bank pursuant to section 5531.09 of the Revised Code;	59 60 61 62
(8) That percentage of the principal amount of general obligation securities issued by a county, township, or municipal corporation to pay the costs of permanent improvements equal to the percentage of the debt charges on those securities payable during the current fiscal year that the fiscal officer estimates can be paid during the current fiscal year from payments in lieu of taxes under section 1728.11, 1728.111, 5709.42, <u>5709.46,</u> 5709.74, or 5709.79 of the Revised Code, and that the legislation authorizing the issuance of the securities pledges or covenants will be used for the payment of those debt charges; provided that the amount excluded from consideration under division (B) (8) of this section shall not exceed the lesser of thirty million dollars or one-half per cent of the subdivision's	63 64 65 66 67 68 69 70 71 72 73 74 75

tax valuation in the case of a county or township, or one and	76
one-tenth per cent of the subdivision's tax valuation in the	77
case of a municipal corporation;	78
(9) Securities issued in an amount equal to the property	79
tax replacement payments received under section 5727.85 or	80
5727.86 of the Revised Code;	81
(10) Securities issued in an amount equal to the property	82
tax replacement payments received under section 5751.21 or	83
5751.22 of the Revised Code;	84
(11) Other securities, including self-supporting	85
securities, excepted by law from the calculation of net	86
indebtedness or from the application of this chapter;	87
(12) Securities issued under section 133.083 of the	88
Revised Code for the purpose of acquiring, constructing,	89
improving, or equipping any permanent improvement to the extent	90
that the legislation authorizing the issuance pledges tourism	91
development district revenue to the payment of debt charges on	92
the securities and contains a covenant to appropriate from	93
tourism development district revenue a sufficient amount to	94
cover debt charges or the financing costs related to the	95
securities as they become due;	96
(13) Any other securities outstanding on October 30, 1989,	97
and then excepted from the calculation of net indebtedness or	98
from the application of this chapter, and securities issued at	99
any time to fund or refund those securities.	100
Sec. 133.06. (A) A school district shall not incur,	101
without a vote of the electors, net indebtedness that exceeds an	102
amount equal to one-tenth of one per cent of its tax valuation,	103
except as provided in divisions (G) and (H) of this section and	104

in division (D) of section 3313.372 of the Revised Code, or as 105
prescribed in section 3318.052 or 3318.44 of the Revised Code, 106
or as provided in division (J) of this section. 107

(B) Except as provided in divisions (E), (F), and (I) of 108
this section, a school district shall not incur net indebtedness 109
that exceeds an amount equal to nine per cent of its tax 110
valuation. 111

(C) A school district shall not submit to a vote of the 112
electors the question of the issuance of securities in an amount 113
that will make the district's net indebtedness after the 114
issuance of the securities exceed an amount equal to four per 115
cent of its tax valuation, unless the superintendent of public 116
instruction, acting under policies adopted by the state board of 117
education, and the tax commissioner, acting under written 118
policies of the commissioner, consent to the submission. A 119
request for the consents shall be made at least one hundred 120
twenty days prior to the election at which the question is to be 121
submitted. 122

The superintendent of public instruction shall certify to 123
the district the superintendent's and the tax commissioner's 124
decisions within thirty days after receipt of the request for 125
consents. 126

If the electors do not approve the issuance of securities 127
at the election for which the superintendent of public 128
instruction and tax commissioner consented to the submission of 129
the question, the school district may submit the same question 130
to the electors on the date that the next special election may 131
be held under section 3501.01 of the Revised Code without 132
submitting a new request for consent. If the school district 133
seeks to submit the same question at any other subsequent 134

election, the district shall first submit a new request for	135
consent in accordance with this division.	136
(D) In calculating the net indebtedness of a school	137
district, none of the following shall be considered:	138
(1) Securities issued to acquire school buses and other	139
equipment used in transporting pupils or issued pursuant to	140
division (D) of section 133.10 of the Revised Code;	141
(2) Securities issued under division (F) of this section,	142
under section 133.301 of the Revised Code, and, to the extent in	143
excess of the limitation stated in division (B) of this section,	144
under division (E) of this section;	145
(3) Indebtedness resulting from the dissolution of a joint	146
vocational school district under section 3311.217 of the Revised	147
Code, evidenced by outstanding securities of that joint	148
vocational school district;	149
(4) Loans, evidenced by any securities, received under	150
sections 3313.483, 3317.0210, and 3317.0211 of the Revised Code;	151
(5) Debt incurred under section 3313.374 of the Revised	152
Code;	153
(6) Debt incurred pursuant to division (B) (5) of section	154
3313.37 of the Revised Code to acquire computers and related	155
hardware;	156
(7) Debt incurred under section 3318.042 of the Revised	157
Code.	158
(E) A school district may become a special needs district	159
as to certain securities as provided in division (E) of this	160
section.	161

(1) A board of education, by resolution, may declare its school district to be a special needs district by determining both of the following:

(a) The student population is not being adequately serviced by the existing permanent improvements of the district.

(b) The district cannot obtain sufficient funds by the issuance of securities within the limitation of division (B) of this section to provide additional or improved needed permanent improvements in time to meet the needs.

(2) The board of education shall certify a copy of that resolution to the superintendent of public instruction with a statistical report showing all of the following:

(a) The history of and a projection of the growth of the tax valuation;

(b) The projected needs;

(c) The estimated cost of permanent improvements proposed to meet such projected needs.

(3) The superintendent of public instruction shall certify the district as an approved special needs district if the superintendent finds both of the following:

(a) The district does not have available sufficient additional funds from state or federal sources to meet the projected needs.

(b) The projection of the potential average growth of tax valuation during the next five years, according to the information certified to the superintendent and any other information the superintendent obtains, indicates a likelihood of potential average growth of tax valuation of the district

during the next five years of an average of not less than one 190
and one-half per cent per year. The findings and certification 191
of the superintendent shall be conclusive. 192

(4) An approved special needs district may incur net 193
indebtedness by the issuance of securities in accordance with 194
the provisions of this chapter in an amount that does not exceed 195
an amount equal to the greater of the following: 196

(a) Twelve per cent of the sum of its tax valuation plus 197
an amount that is the product of multiplying that tax valuation 198
by the percentage by which the tax valuation has increased over 199
the tax valuation on the first day of the sixtieth month 200
preceding the month in which its board determines to submit to 201
the electors the question of issuing the proposed securities; 202

(b) Twelve per cent of the sum of its tax valuation plus 203
an amount that is the product of multiplying that tax valuation 204
by the percentage, determined by the superintendent of public 205
instruction, by which that tax valuation is projected to 206
increase during the next ten years. 207

(F) A school district may issue securities for emergency 208
purposes, in a principal amount that does not exceed an amount 209
equal to three per cent of its tax valuation, as provided in 210
this division. 211

(1) A board of education, by resolution, may declare an 212
emergency if it determines both of the following: 213

(a) School buildings or other necessary school facilities 214
in the district have been wholly or partially destroyed, or 215
condemned by a constituted public authority, or that such 216
buildings or facilities are partially constructed, or so 217
constructed or planned as to require additions and improvements 218

to them before the buildings or facilities are usable for their 219
intended purpose, or that corrections to permanent improvements 220
are necessary to remove or prevent health or safety hazards. 221

(b) Existing fiscal and net indebtedness limitations make 222
adequate replacement, additions, or improvements impossible. 223

(2) Upon the declaration of an emergency, the board of 224
education may, by resolution, submit to the electors of the 225
district pursuant to section 133.18 of the Revised Code the 226
question of issuing securities for the purpose of paying the 227
cost, in excess of any insurance or condemnation proceeds 228
received by the district, of permanent improvements to respond 229
to the emergency need. 230

(3) The procedures for the election shall be as provided 231
in section 133.18 of the Revised Code, except that: 232

(a) The form of the ballot shall describe the emergency 233
existing, refer to this division as the authority under which 234
the emergency is declared, and state that the amount of the 235
proposed securities exceeds the limitations prescribed by 236
division (B) of this section; 237

(b) The resolution required by division (B) of section 238
133.18 of the Revised Code shall be certified to the county 239
auditor and the board of elections at least one hundred days 240
prior to the election; 241

(c) The county auditor shall advise and, not later than 242
ninety-five days before the election, confirm that advice by 243
certification to, the board of education of the information 244
required by division (C) of section 133.18 of the Revised Code; 245

(d) The board of education shall then certify its 246
resolution and the information required by division (D) of 247

section 133.18 of the Revised Code to the board of elections not 248
less than ninety days prior to the election. 249

(4) Notwithstanding division (B) of section 133.21 of the 250
Revised Code, the first principal payment of securities issued 251
under this division may be set at any date not later than sixty 252
months after the earliest possible principal payment otherwise 253
provided for in that division. 254

(G) (1) The board of education may contract with an 255
architect, professional engineer, or other person experienced in 256
the design and implementation of energy conservation measures 257
for an analysis and recommendations pertaining to installations, 258
modifications of installations, or remodeling that would 259
significantly reduce energy consumption in buildings owned by 260
the district. The report shall include estimates of all costs of 261
such installations, modifications, or remodeling, including 262
costs of design, engineering, installation, maintenance, 263
repairs, measurement and verification of energy savings, and 264
debt service, forgone residual value of materials or equipment 265
replaced by the energy conservation measure, as defined by the 266
Ohio school facilities commission, a baseline analysis of actual 267
energy consumption data for the preceding three years with the 268
utility baseline based on only the actual energy consumption 269
data for the preceding twelve months, and estimates of the 270
amounts by which energy consumption and resultant operational 271
and maintenance costs, as defined by the commission, would be 272
reduced. 273

If the board finds after receiving the report that the 274
amount of money the district would spend on such installations, 275
modifications, or remodeling is not likely to exceed the amount 276
of money it would save in energy and resultant operational and 277

maintenance costs over the ensuing fifteen years, the board may 278
submit to the commission a copy of its findings and a request 279
for approval to incur indebtedness to finance the making or 280
modification of installations or the remodeling of buildings for 281
the purpose of significantly reducing energy consumption. 282

The school facilities commission, in consultation with the 283
auditor of state, may deny a request under this division by the 284
board of education of any school district that is in a state of 285
fiscal watch pursuant to division (A) of section 3316.03 of the 286
Revised Code, if it determines that the expenditure of funds is 287
not in the best interest of the school district. 288

No district board of education of a school district that 289
is in a state of fiscal emergency pursuant to division (B) of 290
section 3316.03 of the Revised Code shall submit a request 291
without submitting evidence that the installations, 292
modifications, or remodeling have been approved by the 293
district's financial planning and supervision commission 294
established under section 3316.05 of the Revised Code. 295

No board of education of a school district that, for three 296
or more consecutive years, has been declared to be in a state of 297
academic emergency under section 3302.03 of the Revised Code, as 298
that section existed prior to March 22, 2013, and has failed to 299
meet adequate yearly progress, or has met any condition set 300
forth in division (A) of section 3302.10 of the Revised Code 301
shall submit a request without first receiving approval to incur 302
indebtedness from the district's academic distress commission 303
established under that section, for so long as such commission 304
continues to be required for the district. 305

(2) The school facilities commission shall approve the 306
board's request provided that the following conditions are 307

satisfied:	308
(a) The commission determines that the board's findings are reasonable.	309 310
(b) The request for approval is complete.	311
(c) The installations, modifications, or remodeling are consistent with any project to construct or acquire classroom facilities, or to reconstruct or make additions to existing classroom facilities under sections 3318.01 to 3318.20 or sections 3318.40 to 3318.45 of the Revised Code.	312 313 314 315 316
Upon receipt of the commission's approval, the district may issue securities without a vote of the electors in a principal amount not to exceed nine-tenths of one per cent of its tax valuation for the purpose of making such installations, modifications, or remodeling, but the total net indebtedness of the district without a vote of the electors incurred under this and all other sections of the Revised Code, except section 3318.052 of the Revised Code, shall not exceed one per cent of the district's tax valuation.	317 318 319 320 321 322 323 324 325
(3) So long as any securities issued under this division remain outstanding, the board of education shall monitor the energy consumption and resultant operational and maintenance costs of buildings in which installations or modifications have been made or remodeling has been done pursuant to this division. Except as provided in division (G) (4) of this section, the board shall maintain and annually update a report in a form and manner prescribed by the school facilities commission documenting the reductions in energy consumption and resultant operational and maintenance cost savings attributable to such installations, modifications, or remodeling. The resultant operational and	326 327 328 329 330 331 332 333 334 335 336

maintenance cost savings shall be certified by the school 337
district treasurer. The report shall be submitted annually to 338
the commission. 339

(4) If the school facilities commission verifies that the 340
certified annual reports submitted to the commission by a board 341
of education under division (G) (3) of this section fulfill the 342
guarantee required under division (B) of section 3313.372 of the 343
Revised Code for three consecutive years, the board of education 344
shall no longer be subject to the annual reporting requirements 345
of division (G) (3) of this section. 346

(H) With the consent of the superintendent of public 347
instruction, a school district may incur without a vote of the 348
electors net indebtedness that exceeds the amounts stated in 349
divisions (A) and (G) of this section for the purpose of paying 350
costs of permanent improvements, if and to the extent that both 351
of the following conditions are satisfied: 352

(1) The fiscal officer of the school district estimates 353
that receipts of the school district from payments made under or 354
pursuant to agreements entered into pursuant to section 725.02, 355
1728.10, 3735.671, 5709.081, 5709.082, 5709.40, 5709.41, 356
5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, or 357
5709.82 of the Revised Code, or distributions under division (C) 358
of section 5709.43 or division (B) of section 5709.47 of the 359
Revised Code, or any combination thereof, are, after accounting 360
for any appropriate coverage requirements, sufficient in time 361
and amount, and are committed by the proceedings, to pay the 362
debt charges on the securities issued to evidence that 363
indebtedness and payable from those receipts, and the taxing 364
authority of the district confirms the fiscal officer's 365
estimate, which confirmation is approved by the superintendent 366

of public instruction; 367

(2) The fiscal officer of the school district certifies, 368
and the taxing authority of the district confirms, that the 369
district, at the time of the certification and confirmation, 370
reasonably expects to have sufficient revenue available for the 371
purpose of operating such permanent improvements for their 372
intended purpose upon acquisition or completion thereof, and the 373
superintendent of public instruction approves the taxing 374
authority's confirmation. 375

The maximum maturity of securities issued under division 376
(H) of this section shall be the lesser of twenty years or the 377
maximum maturity calculated under section 133.20 of the Revised 378
Code. 379

(I) A school district may incur net indebtedness by the 380
issuance of securities in accordance with the provisions of this 381
chapter in excess of the limit specified in division (B) or (C) 382
of this section when necessary to raise the school district 383
portion of the basic project cost and any additional funds 384
necessary to participate in a project under Chapter 3318. of the 385
Revised Code, including the cost of items designated by the 386
school facilities commission as required locally funded 387
initiatives, the cost of other locally funded initiatives in an 388
amount that does not exceed fifty per cent of the district's 389
portion of the basic project cost, and the cost for site 390
acquisition. The commission shall notify the superintendent of 391
public instruction whenever a school district will exceed either 392
limit pursuant to this division. 393

(J) A school district whose portion of the basic project 394
cost of its classroom facilities project under sections 3318.01 395
to 3318.20 of the Revised Code is greater than or equal to one 396

hundred million dollars may incur without a vote of the electors 397
net indebtedness in an amount up to two per cent of its tax 398
valuation through the issuance of general obligation securities 399
in order to generate all or part of the amount of its portion of 400
the basic project cost if the controlling board has approved the 401
school facilities commission's conditional approval of the 402
project under section 3318.04 of the Revised Code. The school 403
district board and the Ohio school facilities commission shall 404
include the dedication of the proceeds of such securities in the 405
agreement entered into under section 3318.08 of the Revised 406
Code. No state moneys shall be released for a project to which 407
this section applies until the proceeds of any bonds issued 408
under this section that are dedicated for the payment of the 409
school district portion of the project are first deposited into 410
the school district's project construction fund. 411

Sec. 149.311. (A) As used in this section: 412

(1) "Historic building" means a building, including its 413
structural components, that is located in this state and that is 414
either individually listed on the national register of historic 415
places under 16 U.S.C. 470a, located in a registered historic 416
district, and certified by the state historic preservation 417
officer as being of historic significance to the district, or is 418
individually listed as an historic landmark designated by a 419
local government certified under 16 U.S.C. 470a(c). 420

(2) "Qualified rehabilitation expenditures" means 421
expenditures paid or incurred during the rehabilitation period, 422
and before and after that period as determined under 26 U.S.C. 423
47, by an owner or qualified lessee of an historic building to 424
rehabilitate the building. "Qualified rehabilitation 425
expenditures" includes architectural or engineering fees paid or 426

incurred in connection with the rehabilitation, and expenses 427
incurred in the preparation of nomination forms for listing on 428
the national register of historic places. "Qualified 429
rehabilitation expenditures" does not include any of the 430
following: 431

(a) The cost of acquiring, expanding, or enlarging an 432
historic building; 433

(b) Expenditures attributable to work done to facilities 434
related to the building, such as parking lots, sidewalks, and 435
landscaping; 436

(c) New building construction costs. 437

(3) "Owner" of an historic building means a person holding 438
the fee simple interest in the building. "Owner" does not 439
include the state or a state agency, or any political 440
subdivision as defined in section 9.23 of the Revised Code. 441

(4) "Qualified lessee" means a person subject to a lease 442
agreement for an historic building and eligible for the federal 443
rehabilitation tax credit under 26 U.S.C. 47. "Qualified lessee" 444
does not include the state or a state agency or political 445
subdivision as defined in section 9.23 of the Revised Code. 446

(5) "Certificate owner" means the owner or qualified 447
lessee of an historic building to which a rehabilitation tax 448
credit certificate was issued under this section. 449

(6) "Registered historic district" means an historic 450
district listed in the national register of historic places 451
under 16 U.S.C. 470a, an historic district designated by a local 452
government certified under 16 U.S.C. 470a(c), or a local 453
historic district certified under 36 C.F.R. 67.8 and 67.9. 454

(7) "Rehabilitation" means the process of repairing or 455
altering an historic building or buildings, making possible an 456
efficient use while preserving those portions and features of 457
the building and its site and environment that are significant 458
to its historic, architectural, and cultural values. 459

(8) "Rehabilitation period" means one of the following: 460

(a) If the rehabilitation initially was not planned to be 461
completed in stages, a period chosen by the owner or qualified 462
lessee not to exceed twenty-four months during which 463
rehabilitation occurs; 464

(b) If the rehabilitation initially was planned to be 465
completed in stages, a period chosen by the owner or qualified 466
lessee not to exceed sixty months during which rehabilitation 467
occurs. Each stage shall be reviewed as a phase of a 468
rehabilitation as determined under 26 C.F.R. 1.48-12 or a 469
successor to that section. 470

(9) "State historic preservation officer" or "officer" 471
means the state historic preservation officer appointed by the 472
governor under 16 U.S.C. 470a. 473

(10) "Catalytic project" means the rehabilitation of an 474
historic building, the rehabilitation of which will foster 475
economic development within two thousand five hundred feet of 476
the historic building. 477

(B) The owner or qualified lessee of an historic building 478
may apply to the director of development services for a 479
rehabilitation tax credit certificate for qualified 480
rehabilitation expenditures paid or incurred by such owner or 481
qualified lessee after April 4, 2007, for rehabilitation of an 482
historic building. If the owner of an historic building enters a 483

pass-through agreement with a qualified lessee for the purposes 484
of the federal rehabilitation tax credit under 26 U.S.C. 47, the 485
qualified rehabilitation expenditures paid or incurred by the 486
owner after April 4, 2007, may be attributed to the qualified 487
lessee. 488

The form and manner of filing such applications shall be 489
prescribed by rule of the director. Each application shall state 490
the amount of qualified rehabilitation expenditures the 491
applicant estimates will be paid or incurred. The director may 492
require applicants to furnish documentation of such estimates. 493

The director, after consultation with the tax commissioner 494
and in accordance with Chapter 119. of the Revised Code, shall 495
adopt rules that establish all of the following: 496

(1) Forms and procedures by which applicants may apply for 497
rehabilitation tax credit certificates; 498

(2) Criteria for reviewing, evaluating, and approving 499
applications for certificates within the limitations under 500
division (D) of this section, criteria for assuring that the 501
certificates issued encompass a mixture of high and low 502
qualified rehabilitation expenditures, and criteria for issuing 503
certificates under division (C) (3) (b) of this section; 504

(3) Eligibility requirements for obtaining a certificate 505
under this section; 506

(4) The form of rehabilitation tax credit certificates; 507

(5) Reporting requirements and monitoring procedures; 508

(6) Procedures and criteria for conducting cost-benefit 509
analyses of historic buildings that are the subjects of 510
applications filed under this section. The purpose of a cost- 511

benefit analysis shall be to determine whether rehabilitation of 512
the historic building will result in a net revenue gain in state 513
and local taxes once the building is used. 514

(7) Any other rules necessary to implement and administer 515
this section. 516

(C) The director of development services shall review the 517
applications with the assistance of the state historic 518
preservation officer and determine whether all of the following 519
criteria are met: 520

(1) That the building that is the subject of the 521
application is an historic building and the applicant is the 522
owner or qualified lessee of the building; 523

(2) That the rehabilitation will satisfy standards 524
prescribed by the United States secretary of the interior under 525
16 U.S.C. 470, et seq., as amended, and 36 C.F.R. 67.7 or a 526
successor to that section; 527

(3) That receiving a rehabilitation tax credit certificate 528
under this section is a major factor in: 529

(a) The applicant's decision to rehabilitate the historic 530
building; or 531

(b) To increase the level of investment in such 532
rehabilitation. 533

An applicant shall demonstrate to the satisfaction of the 534
state historic preservation officer and director of development 535
services that the rehabilitation will satisfy the standards 536
described in division (C) (2) of this section before the 537
applicant begins the physical rehabilitation of the historic 538
building. 539

(D) (1) If the director of development services determines 540
that an application meets the criteria in divisions (C) (1), (2), 541
and (3) of this section, the director shall conduct a cost- 542
benefit analysis for the historic building that is the subject 543
of the application to determine whether rehabilitation of the 544
historic building will result in a net revenue gain in state and 545
local taxes once the building is used. The director shall 546
consider the results of the cost-benefit analysis in determining 547
whether to approve the application. The director shall also 548
consider the potential economic impact and the regional 549
distributive balance of the credits throughout the state. The 550
director may approve an application only after completion of the 551
cost-benefit analysis. 552

(2) A rehabilitation tax credit certificate shall not be 553
issued for an amount greater than the estimated amount furnished 554
by the applicant on the application for such certificate and 555
approved by the director. The director shall not approve more 556
than a total of sixty million dollars of rehabilitation tax 557
credits per fiscal year but the director may reallocate unused 558
tax credits from a prior fiscal year for new applicants and such 559
reallocated credits shall not apply toward the dollar limit of 560
this division. 561

(3) For rehabilitations with a rehabilitation period not 562
exceeding twenty-four months as provided in division (A) (8) (a) 563
of this section, a rehabilitation tax credit certificate shall 564
not be issued before the rehabilitation of the historic building 565
is completed. 566

(4) For rehabilitations with a rehabilitation period not 567
exceeding sixty months as provided in division (A) (8) (b) of this 568
section, a rehabilitation tax credit certificate shall not be 569

issued before a stage of rehabilitation is completed. After all 570
stages of rehabilitation are completed, if the director cannot 571
determine that the criteria in division (C) of this section are 572
satisfied for all stages of rehabilitations, the director shall 573
certify this finding to the tax commissioner, and any 574
rehabilitation tax credits received by the applicant shall be 575
repaid by the applicant and may be collected by assessment as 576
unpaid tax by the commissioner. 577

(5) The director of development services shall require the 578
applicant to provide a third-party cost certification by a 579
certified public accountant of the actual costs attributed to 580
the rehabilitation of the historic building when qualified 581
rehabilitation expenditures exceed two hundred thousand dollars. 582

If an applicant whose application is approved for receipt 583
of a rehabilitation tax credit certificate fails to provide to 584
the director sufficient evidence of reviewable progress, 585
including a viable financial plan, copies of final construction 586
drawings, and evidence that the applicant has obtained all 587
historic approvals within twelve months after the date the 588
applicant received notification of approval, and if the 589
applicant fails to provide evidence to the director that the 590
applicant has secured and closed on financing for the 591
rehabilitation within eighteen months after receiving 592
notification of approval, the director may rescind the approval 593
of the application. The director shall notify the applicant if 594
the approval has been rescinded. Credits that would have been 595
available to an applicant whose approval was rescinded shall be 596
available for other qualified applicants. Nothing in this 597
division prohibits an applicant whose approval has been 598
rescinded from submitting a new application for a rehabilitation 599
tax credit certificate. 600

(6) The director of development services may approve the application of, and issue a rehabilitation tax credit certificate to, the owner of a catalytic project, provided the application otherwise meets the criteria described in divisions (C) and (D) of this section. The director may not issue more than one rehabilitation tax credit certificate under division (D) (6) of this section during each state fiscal biennium. The director shall consider the following criteria in determining whether to issue a certificate under division (D) (6) of this section:

(a) Whether the historic building is a catalytic project;

(b) The effect issuance of the certificate would have on the availability of credits for other applicants that qualify for a credit certificate within the credit dollar limit described in division (D) (2) of this section;

(c) The number of jobs, if any, the catalytic project will create.

(7) (a) The owner or qualified lessee of a historic building may apply for a rehabilitation tax credit certificate under both divisions (B) and (D) (6) of this section. In such a case, the director of development services shall consider each application at the time the application is submitted.

(b) The director of development services shall not issue more than one certificate under this section with respect to the same qualified rehabilitation expenditures.

(E) Issuance of a certificate represents a finding by the director of development services of the matters described in divisions (C) (1), (2), and (3) of this section only; issuance of a certificate does not represent a verification or certification

by the director of the amount of qualified rehabilitation 630
expenditures for which a tax credit may be claimed under section 631
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, or 5747.76 of the 632
Revised Code. The amount of qualified rehabilitation 633
expenditures for which a tax credit may be claimed is subject to 634
inspection and examination by the tax commissioner or employees 635
of the commissioner under section 5703.19 of the Revised Code 636
and any other applicable law. Upon the issuance of a 637
certificate, the director shall certify to the tax commissioner, 638
in the form and manner requested by the tax commissioner, the 639
name of the applicant, the amount of qualified rehabilitation 640
expenditures shown on the certificate, and any other information 641
required by the rules adopted under this section. 642

(F) (1) On or before the first day of August each year, the 643
director of development services and tax commissioner jointly 644
shall submit to the president of the senate and the speaker of 645
the house of representatives a report on the tax credit program 646
established under this section and sections 5725.151, 5725.34, 647
5726.52, 5729.17, 5733.47, and 5747.76 of the Revised Code. The 648
report shall present an overview of the program and shall 649
include information on the number of rehabilitation tax credit 650
certificates issued under this section during the preceding 651
fiscal year, an update on the status of each historic building 652
for which an application was approved under this section, the 653
dollar amount of the tax credits granted under sections 654
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, and 5747.76 of the 655
Revised Code, and any other information the director and 656
commissioner consider relevant to the topics addressed in the 657
report. 658

(2) On or before December 1, 2015, the director of 659
development services and tax commissioner jointly shall submit 660

to the president of the senate and the speaker of the house of 661
representatives a comprehensive report that includes the 662
information required by division (F) (1) of this section and a 663
detailed analysis of the effectiveness of issuing tax credits 664
for rehabilitating historic buildings. The report shall be 665
prepared with the assistance of an economic research 666
organization jointly chosen by the director and commissioner. 667

(G) There is hereby created in the state treasury the 668
historic rehabilitation tax credit operating fund. The director 669
of development services is authorized to charge reasonable 670
application and other fees in connection with the administration 671
of tax credits authorized by this section and sections 5725.151, 672
5725.34, 5726.52, 5729.17, 5733.47, and 5747.76 of the Revised 673
Code. Any such fees collected shall be credited to the fund and 674
used to pay reasonable costs incurred by the department of 675
development services in administering this section and sections 676
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, and 5747.76 of the 677
Revised Code. 678

The Ohio historic preservation office is authorized to 679
charge reasonable fees in connection with its review and 680
approval of applications under this section. Any such fees 681
collected shall be credited to the fund and used to pay 682
administrative costs incurred by the Ohio historic preservation 683
office pursuant to this section. 684

(H) Notwithstanding sections 5725.151, 5725.34, 5726.52, 685
5729.17, 5733.47, and 5747.76 of the Revised Code, the 686
certificate owner of a tax credit certificate issued under 687
division (D) (6) of this section may claim a tax credit equal to 688
twenty-five per cent of the dollar amount indicated on the 689
certificate for a total credit of not more than twenty-five 690

million dollars. The credit claimed by such a certificate owner 691
for any calendar year, tax year, or taxable year under section 692
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, or 5747.76 of the 693
Revised Code shall not exceed five million dollars. If the 694
certificate owner is eligible for more than five million dollars 695
in total credits, the certificate owner may carry forward the 696
balance of the credit in excess of the amount claimed for that 697
year for not more than five ensuing calendar years, tax years, 698
or taxable years. If the credit claimed in any calendar year, 699
tax year, or taxable year exceeds the tax otherwise due, the 700
excess shall be refunded to the taxpayer. 701

(I) The director of development services, in consultation 702
with the director of budget and management, shall develop and 703
adopt a system of tracking any information necessary to 704
anticipate the impact of credits issued under this section on 705
tax revenues for current and future fiscal years. Such 706
information may include the number of applications approved, the 707
estimated rehabilitation expenditures and rehabilitation period 708
associated with such applications, the number and amount of tax 709
credit certificates issued, and any other information the 710
director of budget and management requires for the purposes of 711
this division. 712

Sec. 709.024. (A) A petition filed under section 709.021 713
of the Revised Code that requests to follow this section is for 714
the special procedure of annexing land into a municipal 715
corporation for the purpose of undertaking a significant 716
economic development project. As used in this section, 717
"significant economic development project" means one or more 718
economic development projects that can be classified as 719
industrial, distribution, high technology, research and 720
development, or commercial, which projects may include ancillary 721

residential and retail uses and which projects shall satisfy all 722
of the following: 723

(1) Total private real and personal property investment in 724
a project shall be in excess of ten million dollars through land 725
and infrastructure, new construction, reconstruction, 726
installation of fixtures and equipment, or the addition of 727
inventory, excluding investment solely related to the ancillary 728
residential and retail elements, if any, of the project. As used 729
in this division, "private real and personal property 730
investment" does not include payments in lieu of taxes, however 731
characterized, under Chapter 725. or 1728. or sections 5709.40 732
to 5709.43, 5709.45 to 5709.47, 5709.73 to 5709.75, or 5709.78 733
to 5709.81 of the Revised Code. 734

(2) There shall be created by the project an additional 735
annual payroll in excess of one million dollars, excluding 736
payroll arising solely out of the retail elements, if any, of 737
the project. 738

(3) The project has been certified by the state director 739
of development as meeting the requirements of divisions (A) (1) 740
and (2) of this section. 741

(B) Upon the filing of the petition under section 709.021 742
of the Revised Code in the office of the clerk of the board of 743
county commissioners, the clerk shall cause the petition to be 744
entered upon the journal of the board at its next regular 745
session. This entry shall be the first official act of the board 746
on the petition. Within five days after the filing of the 747
petition, the agent for the petitioners shall notify in the 748
manner and form specified in this division the clerk of the 749
legislative authority of the municipal corporation to which 750
annexation is proposed, the fiscal officer of each township any 751

portion of which is included within the territory proposed for 752
annexation, the clerk of the board of county commissioners of 753
each county in which the territory proposed for annexation is 754
located other than the county in which the petition is filed, 755
and the owners of property adjacent to the territory proposed 756
for annexation or adjacent to a road that is adjacent to that 757
territory and located directly across that road from that 758
territory. The notice shall refer to the time and date when the 759
petition was filed and the county in which it was filed and 760
shall have attached or shall be accompanied by a copy of the 761
petition and any attachments or documents accompanying the 762
petition as filed. 763

Notice to a property owner is sufficient if sent by 764
regular United States mail to the tax mailing address listed on 765
the county auditor's records. Notice to the appropriate 766
government officer shall be given by certified mail, return 767
receipt requested, or by causing the notice to be personally 768
served on the officer, with proof of service by affidavit of the 769
person who delivered the notice. Proof of service of the notice 770
on each appropriate government officer shall be filed with the 771
board of county commissioners with which the petition was filed. 772

(C) (1) Within thirty days after the petition is filed, the 773
legislative authority of the municipal corporation to which 774
annexation is proposed and each township any portion of which is 775
included within the territory proposed for annexation may adopt 776
and file with the board of county commissioners an ordinance or 777
resolution consenting or objecting to the proposed annexation. 778
An objection to the proposed annexation shall be based solely 779
upon the petition's failure to meet the conditions specified in 780
division (F) of this section. Failure of the municipal 781
corporation or any of those townships to timely file an 782

ordinance or resolution consenting or objecting to the proposed 783
annexation shall be deemed to constitute consent by that 784
municipal corporation or township to the proposed annexation. 785

(2) Within twenty days after receiving the notice required 786
by division (B) of this section, the legislative authority of 787
the municipal corporation shall adopt, by ordinance or 788
resolution, a statement indicating what services the municipal 789
corporation will provide or cause to be provided, and an 790
approximate date by which it will provide or cause them to be 791
provided, to the territory proposed for annexation, upon 792
annexation. If a hearing is to be conducted under division (E) 793
of this section, the legislative authority shall file the 794
statement with the clerk of the board of county commissioners at 795
least twenty days before the date of the hearing. 796

(D) If all parties to the annexation proceedings consent 797
to the proposed annexation, a hearing shall not be held, and the 798
board, at its next regular session, shall enter upon its journal 799
a resolution granting the annexation. There is no appeal in law 800
or in equity from the board's entry of a resolution under this 801
division. The clerk of the board shall proceed as provided in 802
division (C) (1) of section 709.033 of the Revised Code. 803

(E) Unless the petition is granted under division (D) of 804
this section, a hearing shall be held on the petition. The board 805
of county commissioners shall hear the petition at its next 806
regular session and shall notify the agent for the petitioners 807
of the hearing's date, time, and place. The agent for the 808
petitioners shall give, within five days after receipt of the 809
notice of the hearing from the board, to the parties and 810
property owners entitled to notice under division (B) of this 811
section, notice of the date, time, and place of the hearing. 812

Notice to a property owner is sufficient if sent by regular 813
United States mail to the tax mailing address listed on the 814
county auditor's records. At the hearing, the parties and any 815
owner of real estate within the territory proposed to be annexed 816
are entitled to appear for the purposes described in division 817
(C) of section 709.032 of the Revised Code. 818

(F) Within thirty days after a hearing under division (E) 819
of this section, the board of county commissioners shall enter 820
upon its journal a resolution granting or denying the proposed 821
annexation. The resolution shall include specific findings of 822
fact as to whether or not each of the conditions listed in this 823
division has been met. If the board grants the annexation, the 824
clerk of the board shall proceed as provided in division (C)(1) 825
of section 709.033 of the Revised Code. 826

The board shall enter a resolution granting the annexation 827
if it finds, based upon a preponderance of the substantial, 828
reliable, and probative evidence on the whole record, that each 829
of the following conditions has been met: 830

(1) The petition meets all the requirements set forth in, 831
and was filed in the manner provided in, section 709.021 of the 832
Revised Code. 833

(2) The persons who signed the petition are owners of real 834
estate located in the territory proposed to be annexed in the 835
petition and constitute all of the owners of real estate in that 836
territory. 837

(3) No street or highway will be divided or segmented by 838
the boundary line between a township and the municipal 839
corporation as to create a road maintenance problem, or if the 840
street or highway will be so divided or segmented, the municipal 841

corporation has agreed, as a condition of the annexation, that 842
it will assume the maintenance of that street or highway. For 843
the purposes of this division, "street" or "highway" has the 844
same meaning as in section 4511.01 of the Revised Code. 845

(4) The municipal corporation to which the territory is 846
proposed to be annexed has adopted an ordinance or resolution as 847
required by division (C) (2) of this section. 848

(5) The state director of development has certified that 849
the project meets the requirements of divisions (A) (1) and (2) 850
of this section and thereby qualifies as a significant economic 851
development project. The director's certification is binding on 852
the board of county commissioners. 853

(G) An owner who signed the petition may appeal a decision 854
of the board of county commissioners denying the proposed 855
annexation under section 709.07 of the Revised Code. No other 856
person has standing to appeal the board's decision in law or in 857
equity. If the board grants the annexation, there shall be no 858
appeal in law or in equity. 859

(H) Notwithstanding anything to the contrary in section 860
503.07 of the Revised Code, unless otherwise provided in an 861
annexation agreement entered into pursuant to section 709.192 of 862
the Revised Code or in a cooperative economic development 863
agreement entered into pursuant to section 701.07 of the Revised 864
Code, territory annexed into a municipal corporation pursuant to 865
this section shall not at any time be excluded from the township 866
under section 503.07 of the Revised Code and, thus, remains 867
subject to the township's real property taxes. 868

(I) A municipal corporation to which annexation is 869
proposed is entitled in its sole discretion to provide to the 870

territory proposed for annexation, upon annexation, services in 871
addition to the services described in the ordinance or 872
resolution adopted by the legislative authority of the municipal 873
corporation under division (C) (2) of this section. 874

Sec. 709.19. (A) As used in this section: 875

(1) "International airport" means any airport that is: 876

(a) Designated as an international airport or a landing 877
rights airport by the United States secretary of the treasury; 878

(b) Owned and operated by a municipal corporation; 879

(c) An unincorporated area not contiguous to the municipal 880
corporation that owns it. 881

(2) "Commercial," "industrial," "residential," and 882
"retail," in relation to property, mean property classified as 883
such by the tax commissioner for the purposes of valuing 884
property for taxation, except that "commercial," in relation to 885
property, does not include any property classified as "retail." 886

(B) If unincorporated territory is annexed to a municipal 887
corporation and excluded from a township under section 503.07 of 888
the Revised Code, upon exclusion of that territory, the 889
municipal corporation that annexed the territory shall make 890
payments to the township from which the territory was annexed 891
only as provided in this section, except that, if the 892
legislative authority of the municipal corporation enters into 893
an agreement under section 701.07, 709.191, or 709.192 of the 894
Revised Code with the township from which the territory was 895
annexed that makes alternate provisions regarding payments by 896
the municipal corporation, then the payment provisions in that 897
agreement shall apply in lieu of the provisions of this section. 898

(C) (1) Except as provided in division (C) (2) of this 899
section, the municipal corporation that annexed the territory 900
shall make the following payments to the township from which the 901
territory was annexed with respect to commercial and industrial 902
real, personal, and public utility property taxes using the 903
property valuation for the year that the payment is due: 904

(a) In the first through third years following the 905
annexation and exclusion of the territory from the township, 906
eighty per cent of the township taxes in the annexed territory 907
that would have been due the township for commercial and 908
industrial real, personal, and public utility property taxes if 909
no annexation had occurred; 910

(b) In the fourth and fifth years following the annexation 911
and the exclusion of the territory from the township, sixty- 912
seven and one-half per cent of the township taxes in the annexed 913
territory that would have been due the township for commercial 914
and industrial real, personal, and public utility property taxes 915
if no annexation had occurred; 916

(c) In the sixth and seventh years following the 917
annexation and exclusion of the territory from the township, 918
sixty-two and one-half per cent of the township taxes in the 919
annexed territory that would have been due the township for 920
commercial and industrial real, personal, and public utility 921
property taxes if no annexation had occurred; 922

(d) In the eighth and ninth years following the annexation 923
and exclusion of the territory from the township, fifty-seven 924
and one-half per cent of the township taxes in the annexed 925
territory that would have been due the township for commercial 926
and industrial real, personal, and public utility property taxes 927
if no annexation had occurred; 928

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

(2) If there has been an exemption by the municipal corporation of commercial and industrial real, personal, or public utility property taxes pursuant to section 725.02, 1728.10, 3735.67, 5709.40, 5709.41, 5709.45, 5709.62, or 5709.88 of the Revised Code, there shall be no reduction in the payments owed to the township due to that exemption. The municipal corporation shall make payments to the township under division (C) (1) of this section, calculated as if the exemption had not occurred.

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

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

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

(3) In the sixth through tenth years following the 959
annexation and exclusion of the territory from the township, 960
forty per cent of the township taxes in the annexed territory 961
that would have been due the township for residential and retail 962
real property taxes if no annexation had occurred; 963

(4) In the eleventh and twelfth years following the 964
annexation and exclusion of the territory from the township, 965
twenty-seven and one-half per cent of the township taxes in the 966
annexed territory that would have been due the township for 967
residential and retail real property taxes if no annexation had 968
occurred. 969

(E) If, pursuant to division (F) of this section, a 970
municipal corporation annexes an international airport that it 971
owns, the municipal corporation shall pay the township one 972
hundred per cent of the township taxes in the annexed territory 973
that would have been due the township if no annexation had 974
occurred for each of the twenty-five years following the 975
annexation. 976

(F) (1) Notwithstanding any other provision of this 977
chapter, a board of county commissioners may authorize a 978
municipal corporation to annex an international airport that the 979
municipal corporation owns. Unless a contract is entered into 980
pursuant to division (F) (2) of this section, any municipal 981
corporation that annexes an international airport under this 982
division shall make payments to the township from which the 983
international airport is annexed, in the manner provided in 984
division (E) of this section. No territory annexed pursuant to 985
this division shall be considered part of the municipal 986
corporation for the purposes of subsequent annexation, except 987
that the board of county commissioners may authorize subsequent 988

annexation under this division if the board determines that 989
subsequent annexation is necessary to the continued operation of 990
the international airport. 991

(2) The chief executive of a municipal corporation that 992
annexes territory pursuant to this division may enter into a 993
contract with the board of township trustees of the township 994
that loses the territory whereby the township agrees to provide 995
the annexed territory with police, fire, or other services it is 996
authorized to provide in exchange for specified consideration as 997
agreed upon by the board of township trustees and the chief 998
executive. In no instance shall the consideration received by 999
the township be less than the payments that would be required 1000
under division (F) (1) of this section if no contract were 1001
entered into. 1002

Sec. 1710.14. The board of directors of a special 1003
improvement district in which all or part of a downtown 1004
redevelopment district is located may accept contributions from 1005
the municipal corporation that created the downtown 1006
redevelopment district pursuant to division (E) (2) of section 1007
5709.45 of the Revised Code. The board shall use all such 1008
contributions to promote the downtown redevelopment district to 1009
potential business patrons, to recruit businesses to relocate or 1010
expand to the downtown redevelopment district, and to attract 1011
and promote events and activities that generate revenue or 1012
enhance public welfare within the downtown redevelopment 1013
district. The board shall periodically report to the legislative 1014
authority of the municipal corporation on the expenditure of the 1015
contributions and plans for the utilization of future 1016
contributions. If any contributions received by a special 1017
improvement district under this section remain after the 1018
dissolution or expiration of the downtown redevelopment 1019

district, the board shall pay the remaining amount to the 1020
contributing municipal corporation, which shall credit the money 1021
to its general fund. 1022

Sec. 1724.12. The board of directors of a community 1023
improvement corporation in which all or a part of a downtown 1024
redevelopment district is located may accept contributions from 1025
the municipal corporation that created the district pursuant to 1026
division (E) (2) of section 5709.45 of the Revised Code. The 1027
board shall use all such contributions to promote the downtown 1028
redevelopment district to potential business patrons, to recruit 1029
businesses to relocate or expand to the downtown redevelopment 1030
district, and to attract and promote events and activities that 1031
generate revenue or enhance public welfare within the downtown 1032
redevelopment district. The board shall periodically report to 1033
the legislative authority of the municipal corporation on the 1034
expenditure of the contributions and plans for the utilization 1035
of future contributions. If any contributions received by a 1036
community improvement corporation under this section remain 1037
after the dissolution or expiration of the downtown 1038
redevelopment district, the board shall pay the remaining amount 1039
to the contributing municipal corporation, which shall credit 1040
the money to its general fund. 1041

Sec. 3317.021. (A) On or before the first day of June of 1042
each year, the tax commissioner shall certify to the department 1043
of education and the office of budget and management the 1044
information described in divisions (A) (1) to (5) of this section 1045
for each city, exempted village, and local school district, and 1046
the information required by divisions (A) (1) and (2) of this 1047
section for each joint vocational school district, and it shall 1048
be used, along with the information certified under division (B) 1049
of this section, in making the computations for the district 1050

under this chapter.	1051
(1) The taxable value of real and public utility real property in the school district subject to taxation in the preceding tax year, by class and by county of location.	1052 1053 1054
(2) The taxable value of tangible personal property, including public utility personal property, subject to taxation by the district for the preceding tax year.	1055 1056 1057
(3) (a) The total property tax rate and total taxes charged and payable for the current expenses for the preceding tax year and the total property tax rate and the total taxes charged and payable to a joint vocational district for the preceding tax year that are limited to or to the extent apportioned to current expenses.	1058 1059 1060 1061 1062 1063
(b) The portion of the amount of taxes charged and payable reported for each city, local, and exempted village school district under division (A) (3) (a) of this section attributable to a joint vocational school district.	1064 1065 1066 1067
(4) The value of all real and public utility real property in the school district exempted from taxation minus both of the following:	1068 1069 1070
(a) The value of real and public utility real property in the district owned by the United States government and used exclusively for a public purpose;	1071 1072 1073
(b) The value of real and public utility real property in the district exempted from taxation under Chapter 725. or 1728. or section 3735.67, 5709.40, 5709.41, <u>5709.45</u> , 5709.62, 5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code.	1074 1075 1076 1077
(5) The total federal adjusted gross income of the	1078

residents of the school district, based on tax returns filed by 1079
the residents of the district, for the most recent year for 1080
which this information is available, and the median Ohio 1081
adjusted gross income of the residents of the school district 1082
determined on the basis of tax returns filed for the second 1083
preceding tax year by the residents of the district. 1084

(B) On or before the first day of May each year, the tax 1085
commissioner shall certify to the department of education and 1086
the office of budget and management the total taxable real 1087
property value of railroads and, separately, the total taxable 1088
tangible personal property value of all public utilities for the 1089
preceding tax year, by school district and by county of 1090
location. 1091

(C) If a public utility has properly and timely filed a 1092
petition for reassessment under section 5727.47 of the Revised 1093
Code with respect to an assessment issued under section 5727.23 1094
of the Revised Code affecting taxable property apportioned by 1095
the tax commissioner to a school district, the taxable value of 1096
public utility tangible personal property included in the 1097
certification under divisions (A) (2) and (B) of this section for 1098
the school district shall include only the amount of taxable 1099
value on the basis of which the public utility paid tax for the 1100
preceding year as provided in division (B) (1) or (2) of section 1101
5727.47 of the Revised Code. 1102

(D) If on the basis of the information certified under 1103
division (A) of this section, the department determines that any 1104
district fails in any year to meet the qualification requirement 1105
specified in division (A) of section 3317.01 of the Revised 1106
Code, the department shall immediately request the tax 1107
commissioner to determine the extent to which any school 1108

district income tax levied by the district under Chapter 5748. 1109
of the Revised Code shall be included in meeting that 1110
requirement. Within five days of receiving such a request from 1111
the department, the tax commissioner shall make the 1112
determination required by this division and report the quotient 1113
obtained under division (D)(3) of this section to the department 1114
and the office of budget and management. This quotient 1115
represents the number of mills that the department shall include 1116
in determining whether the district meets the qualification 1117
requirement of division (A) of section 3317.01 of the Revised 1118
Code. 1119

The tax commissioner shall make the determination required 1120
by this division as follows: 1121

(1) Multiply one mill times the total taxable value of the 1122
district as determined in divisions (A)(1) and (2) of this 1123
section; 1124

(2) Estimate the total amount of tax liability for the 1125
current tax year under taxes levied by Chapter 5748. of the 1126
Revised Code that are apportioned to current operating expenses 1127
of the district, excluding any income tax receipts allocated for 1128
the project cost, debt service, or maintenance set-aside 1129
associated with a state-assisted classroom facilities project as 1130
authorized by section 3318.052 of the Revised Code; 1131

(3) Divide the amount estimated under division (D)(2) of 1132
this section by the product obtained under division (D)(1) of 1133
this section. 1134

Sec. 5501.311. (A) Notwithstanding sections 123.01 and 1135
127.16 of the Revised Code the director of transportation may 1136
lease or lease-purchase all or any part of a transportation 1137

facility to or from one or more persons, one or more 1138
governmental agencies, a transportation improvement district, or 1139
any combination thereof, and may grant leases, easements, or 1140
licenses for lands under the control of the department of 1141
transportation. The director may adopt rules necessary to give 1142
effect to this section. 1143

(B) Plans and specifications for the construction of a 1144
transportation facility under a lease or lease-purchase 1145
agreement are subject to approval of the director and must meet 1146
or exceed all applicable standards of the department. 1147

(C) Any lease or lease-purchase agreement under which the 1148
department is the lessee shall be for a period not exceeding the 1149
then current two-year period for which appropriations have been 1150
made by the general assembly to the department, and such 1151
agreement may contain such other terms as the department and the 1152
other parties thereto agree, notwithstanding any other provision 1153
of law, including provisions that rental payments in amounts 1154
sufficient to pay bond service charges payable during the 1155
current two-year lease term shall be an absolute and 1156
unconditional obligation of the department independent of all 1157
other duties under the agreement without set-off or deduction or 1158
any other similar rights or defenses. Any such agreement may 1159
provide for renewal of the agreement at the end of each term for 1160
another term, not exceeding two years, provided that no renewal 1161
shall be effective until the effective date of an appropriation 1162
enacted by the general assembly from which the department may 1163
lawfully pay rentals under such agreement. Any such agreement 1164
may include, without limitation, any agreement by the department 1165
with respect to any costs of transportation facilities to be 1166
included prior to acquisition and construction of such 1167
transportation facilities. Any such agreement shall not 1168

constitute a debt or pledge of the faith and credit of the 1169
state, or of any political subdivision of the state, and the 1170
lessor shall have no right to have taxes or excises levied by 1171
the general assembly, or the taxing authority of any political 1172
subdivision of the state, for the payment of rentals thereunder. 1173
Any such agreement shall contain a statement to that effect. 1174

(D) A municipal corporation, township, or county may use 1175
service payments in lieu of taxes credited to special funds or 1176
accounts pursuant to sections 5709.43, 5709.47, 5709.75, and 1177
5709.80 of the Revised Code to provide its contribution to the 1178
cost of a transportation facility, provided such facility was 1179
among the purposes for which such service payments were 1180
authorized. The contribution may be in the form of a lump sum or 1181
periodic payments. 1182

(E) Pursuant to the "Telecommunications Act of 1996," 110 1183
Stat. 152, 47 U.S.C. 332 note, the director may grant a lease, 1184
easement, or license in a transportation facility to a 1185
telecommunications service provider for construction, placement, 1186
or operation of a telecommunications facility. An interest 1187
granted under this division is subject to all of the following 1188
conditions: 1189

(1) The transportation facility is owned in fee simple or 1190
easement by this state at the time the lease, easement, or 1191
license is granted to the telecommunications provider. 1192

(2) The lease, easement, or license shall be granted on a 1193
competitive basis in accordance with policies and procedures to 1194
be determined by the director. The policies and procedures may 1195
include provisions for master leases for multiple sites. 1196

(3) The telecommunications facility shall be designed to 1197

accommodate the state's multi-agency radio communication system, 1198
the intelligent transportation system, and the department's 1199
communication system as the director may determine is necessary 1200
for highway or other departmental purposes. 1201

(4) The telecommunications facility shall be designed to 1202
accommodate such additional telecommunications equipment as may 1203
feasibly be co-located thereon as determined in the discretion 1204
of the director. 1205

(5) The telecommunications service providers awarded the 1206
lease, easement, or license, agree to permit other 1207
telecommunications service providers to co-locate on the 1208
telecommunications facility, and agree to the terms and 1209
conditions of the co-location as determined in the discretion of 1210
the director. 1211

(6) The director shall require indemnity agreements in 1212
favor of the department as a condition of any lease, easement, 1213
or license granted under this division. Each indemnity agreement 1214
shall secure this state and its agents from liability for 1215
damages arising out of safety hazards, zoning, and any other 1216
matter of public interest the director considers necessary. 1217

(7) The telecommunications service provider fully complies 1218
with any permit issued under section 5515.01 of the Revised Code 1219
pertaining to land that is the subject of the lease, easement, 1220
or license. 1221

(8) All plans and specifications shall meet with the 1222
director's approval. 1223

(9) Any other conditions the director determines 1224
necessary. 1225

(F) In accordance with section 5501.031 of the Revised 1226

Code, to further efforts to promote energy conservation and 1227
energy efficiency, the director may grant a lease, easement, or 1228
license in a transportation facility to a utility service 1229
provider that has received its certificate from the Ohio power 1230
siting board or appropriate local entity for construction, 1231
placement, or operation of an alternative energy generating 1232
facility service provider as defined in section 4928.64 of the 1233
Revised Code. An interest granted under this division is subject 1234
to all of the following conditions: 1235

(1) The transportation facility is owned in fee simple or 1236
in easement by this state at the time the lease, easement, or 1237
license is granted to the utility service provider. 1238

(2) The lease, easement, or license shall be granted on a 1239
competitive basis in accordance with policies and procedures to 1240
be determined by the director. The policies and procedures may 1241
include provisions for master leases for multiple sites. 1242

(3) The alternative energy generating facility shall be 1243
designed to provide energy for the department's transportation 1244
facilities with the potential for selling excess power on the 1245
power grid, as the director may determine is necessary for 1246
highway or other departmental purposes. 1247

(4) The director shall require indemnity agreements in 1248
favor of the department as a condition of any lease, easement, 1249
or license granted under this division. Each indemnity agreement 1250
shall secure this state from liability for damages arising out 1251
of safety hazards, zoning, and any other matter of public 1252
interest the director considers necessary. 1253

(5) The alternative energy service provider fully complies 1254
with any permit issued by the Ohio power siting board under 1255

Chapter 4906. of the Revised Code and complies with section	1256
5515.01 of the Revised Code pertaining to land that is the	1257
subject of the lease, easement, or license.	1258
(6) All plans and specifications shall meet with the	1259
director's approval.	1260
(7) Any other conditions the director determines	1261
necessary.	1262
(G) Money the department receives under this section shall	1263
be deposited into the state treasury to the credit of the	1264
highway operating fund.	1265
(H) A lease, easement, or license granted under division	1266
(E) or (F) of this section, and any telecommunications facility	1267
or alternative energy generating facility relating to such	1268
interest in a transportation facility, is hereby deemed to	1269
further the essential highway purpose of building and	1270
maintaining a safe, energy-efficient, and accessible	1271
transportation system.	1272
Sec. 5709.12. (A) As used in this section, "independent	1273
living facilities" means any residential housing facilities and	1274
related property that are not a nursing home, residential care	1275
facility, or residential facility as defined in division (A) of	1276
section 5701.13 of the Revised Code.	1277
(B) Lands, houses, and other buildings belonging to a	1278
county, township, or municipal corporation and used exclusively	1279
for the accommodation or support of the poor, or leased to the	1280
state or any political subdivision for public purposes shall be	1281
exempt from taxation. Real and tangible personal property	1282
belonging to institutions that is used exclusively for	1283
charitable purposes shall be exempt from taxation, including	1284

real property belonging to an institution that is a nonprofit 1285
corporation that receives a grant under the Thomas Alva Edison 1286
grant program authorized by division (C) of section 122.33 of 1287
the Revised Code at any time during the tax year and being held 1288
for leasing or resale to others. If, at any time during a tax 1289
year for which such property is exempted from taxation, the 1290
corporation ceases to qualify for such a grant, the director of 1291
development shall notify the tax commissioner, and the tax 1292
commissioner shall cause the property to be restored to the tax 1293
list beginning with the following tax year. All property owned 1294
and used by a nonprofit organization exclusively for a home for 1295
the aged, as defined in section 5701.13 of the Revised Code, 1296
also shall be exempt from taxation. 1297

(C) (1) If a home for the aged described in division (B) (1) 1298
of section 5701.13 of the Revised Code is operated in 1299
conjunction with or at the same site as independent living 1300
facilities, the exemption granted in division (B) of this 1301
section shall include kitchen, dining room, clinic, entry ways, 1302
maintenance and storage areas, and land necessary for access 1303
commonly used by both residents of the home for the aged and 1304
residents of the independent living facilities. Other facilities 1305
commonly used by both residents of the home for the aged and 1306
residents of independent living units shall be exempt from 1307
taxation only if the other facilities are used primarily by the 1308
residents of the home for the aged. Vacant land currently unused 1309
by the home, and independent living facilities and the lands 1310
connected with them are not exempt from taxation. Except as 1311
provided in division (A) (1) of section 5709.121 of the Revised 1312
Code, property of a home leased for nonresidential purposes is 1313
not exempt from taxation. 1314

(2) Independent living facilities are exempt from taxation 1315

if they are operated in conjunction with or at the same site as 1316
a home for the aged described in division (B) (2) of section 1317
5701.13 of the Revised Code; operated by a corporation, 1318
association, or trust described in division (B) (1) (b) of that 1319
section; operated exclusively for the benefit of members of the 1320
corporation, association, or trust who are retired, aged, or 1321
infirm; and provided to those members without charge in 1322
consideration of their service, without compensation, to a 1323
charitable, religious, fraternal, or educational institution. 1324
For the purposes of division (C) (2) of this section, 1325
"compensation" does not include furnishing room and board, 1326
clothing, health care, or other necessities, or stipends or 1327
other de minimis payments to defray the cost thereof. 1328

(D) (1) A private corporation established under federal 1329
law, as defined in 36 U.S.C. 1101, Pub. L. No. 102-199, 105 1330
Stat. 1629, as amended, the objects of which include encouraging 1331
the advancement of science generally, or of a particular branch 1332
of science, the promotion of scientific research, the 1333
improvement of the qualifications and usefulness of scientists, 1334
or the increase and diffusion of scientific knowledge is 1335
conclusively presumed to be a charitable or educational 1336
institution. A private corporation established as a nonprofit 1337
corporation under the laws of a state that is exempt from 1338
federal income taxation under section 501(c) (3) of the Internal 1339
Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C.A. 1, as amended, 1340
and that has as its principal purpose one or more of the 1341
foregoing objects also is conclusively presumed to be a 1342
charitable or educational institution. 1343

The fact that an organization described in this division 1344
operates in a manner that results in an excess of revenues over 1345
expenses shall not be used to deny the exemption granted by this 1346

section, provided such excess is used, or is held for use, for 1347
exempt purposes or to establish a reserve against future 1348
contingencies; and, provided further, that such excess may not 1349
be distributed to individual persons or to entities that would 1350
not be entitled to the tax exemptions provided by this chapter. 1351
Nor shall the fact that any scientific information diffused by 1352
the organization is of particular interest or benefit to any of 1353
its individual members be used to deny the exemption granted by 1354
this section, provided that such scientific information is 1355
available to the public for purchase or otherwise. 1356

(2) Division (D) (2) of this section does not apply to real 1357
property exempted from taxation under this section and division 1358
(A) (3) of section 5709.121 of the Revised Code and belonging to 1359
a nonprofit corporation described in division (D) (1) of this 1360
section that has received a grant under the Thomas Alva Edison 1361
grant program authorized by division (C) of section 122.33 of 1362
the Revised Code during any of the tax years the property was 1363
exempted from taxation. 1364

When a private corporation described in division (D) (1) of 1365
this section sells all or any portion of a tract, lot, or parcel 1366
of real estate that has been exempt from taxation under this 1367
section and section 5709.121 of the Revised Code, the portion 1368
sold shall be restored to the tax list for the year following 1369
the year of the sale and, except in connection with a sale and 1370
transfer of such a tract, lot, or parcel to a county land 1371
reutilization corporation organized under Chapter 1724. of the 1372
Revised Code, a charge shall be levied against the sold property 1373
in an amount equal to the tax savings on such property during 1374
the four tax years preceding the year the property is placed on 1375
the tax list. The tax savings equals the amount of the 1376
additional taxes that would have been levied if such property 1377

had not been exempt from taxation. 1378

The charge constitutes a lien of the state upon such 1379
property as of the first day of January of the tax year in which 1380
the charge is levied and continues until discharged as provided 1381
by law. The charge may also be remitted for all or any portion 1382
of such property that the tax commissioner determines is 1383
entitled to exemption from real property taxation for the year 1384
such property is restored to the tax list under any provision of 1385
the Revised Code, other than sections 725.02, 1728.10, 3735.67, 1386
5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.71, 5709.73, 1387
5709.78, and 5709.84, upon an application for exemption covering 1388
the year such property is restored to the tax list filed under 1389
section 5715.27 of the Revised Code. 1390

(E) Real property held by an organization organized and 1391
operated exclusively for charitable purposes as described under 1392
section 501(c)(3) of the Internal Revenue Code and exempt from 1393
federal taxation under section 501(a) of the Internal Revenue 1394
Code, 26 U.S.C.A. 501(a) and (c)(3), as amended, for the purpose 1395
of constructing or rehabilitating residences for eventual 1396
transfer to qualified low-income families through sale, lease, 1397
or land installment contract, shall be exempt from taxation. 1398

The exemption shall commence on the day title to the 1399
property is transferred to the organization and shall continue 1400
to the end of the tax year in which the organization transfers 1401
title to the property to a qualified low-income family. In no 1402
case shall the exemption extend beyond the second succeeding tax 1403
year following the year in which the title was transferred to 1404
the organization. If the title is transferred to the 1405
organization and from the organization to a qualified low-income 1406
family in the same tax year, the exemption shall continue to the 1407

end of that tax year. The proportionate amount of taxes that are 1408
a lien but not yet determined, assessed, and levied for the tax 1409
year in which title is transferred to the organization shall be 1410
remitted by the county auditor for each day of the year that 1411
title is held by the organization. 1412

Upon transferring the title to another person, the 1413
organization shall file with the county auditor an affidavit 1414
affirming that the title was transferred to a qualified low- 1415
income family or that the title was not transferred to a 1416
qualified low-income family, as the case may be; if the title 1417
was transferred to a qualified low-income family, the affidavit 1418
shall identify the transferee by name. If the organization 1419
transfers title to the property to anyone other than a qualified 1420
low-income family, the exemption, if it has not previously 1421
expired, shall terminate, and the property shall be restored to 1422
the tax list for the year following the year of the transfer and 1423
a charge shall be levied against the property in an amount equal 1424
to the amount of additional taxes that would have been levied if 1425
such property had not been exempt from taxation. The charge 1426
constitutes a lien of the state upon such property as of the 1427
first day of January of the tax year in which the charge is 1428
levied and continues until discharged as provided by law. 1429

The application for exemption shall be filed as otherwise 1430
required under section 5715.27 of the Revised Code, except that 1431
the organization holding the property shall file with its 1432
application documentation substantiating its status as an 1433
organization organized and operated exclusively for charitable 1434
purposes under section 501(c)(3) of the Internal Revenue Code 1435
and its qualification for exemption from federal taxation under 1436
section 501(a) of the Internal Revenue Code, and affirming its 1437
intention to construct or rehabilitate the property for the 1438

eventual transfer to qualified low-income families. 1439

As used in this division, "qualified low-income family" 1440
means a family whose income does not exceed two hundred per cent 1441
of the official federal poverty guidelines as revised annually 1442
in accordance with section 673(2) of the "Omnibus Budget 1443
Reconciliation Act of 1981," 95 Stat. 511, 42 U.S.C.A. 9902, as 1444
amended, for a family size equal to the size of the family whose 1445
income is being determined. 1446

(F) (1) (a) Real property held by a county land 1447
reutilization corporation organized under Chapter 1724. of the 1448
Revised Code shall be exempt from taxation. Notwithstanding 1449
section 5715.27 of the Revised Code, a county land reutilization 1450
corporation is not required to apply to any county or state 1451
agency in order to qualify for the exemption. 1452

(b) Real property acquired or held by an electing 1453
subdivision other than a county land reutilization corporation 1454
on or after April 9, 2009, for the purpose of implementing an 1455
effective land reutilization program or for a related public 1456
purpose shall be exempt from taxation until sold or transferred 1457
by the electing subdivision. Notwithstanding section 5715.27 of 1458
the Revised Code, an electing subdivision is not required to 1459
apply to any county or state agency in order to qualify for an 1460
exemption with respect to property acquired or held for such 1461
purposes on or after such date, regardless of how the electing 1462
subdivision acquires the property. 1463

As used in this section, "electing subdivision" and "land 1464
reutilization program" have the same meanings as in section 1465
5722.01 of the Revised Code, and "county land reutilization 1466
corporation" means a county land reutilization corporation 1467
organized under Chapter 1724. of the Revised Code and any 1468

subsidiary wholly owned by such a county land reutilization 1469
corporation that is identified as "a wholly owned subsidiary of 1470
a county land reutilization corporation" in the deed of 1471
conveyance transferring title to the subsidiary. 1472

(2) An exemption authorized under division (F)(1) of this 1473
section shall commence on the day title to the property is 1474
transferred to the corporation or electing subdivision and shall 1475
continue to the end of the tax year in which the instrument 1476
transferring title from the corporation or subdivision to 1477
another owner is recorded, if the use to which the other owner 1478
puts the property does not qualify for an exemption under this 1479
section or any other section of the Revised Code. If the title 1480
to the property is transferred to the corporation and from the 1481
corporation, or to the subdivision and from the subdivision, in 1482
the same tax year, the exemption shall continue to the end of 1483
that tax year. The proportionate amount of taxes that are a lien 1484
but not yet determined, assessed, and levied for the tax year in 1485
which title is transferred to the corporation or subdivision 1486
shall be remitted by the county auditor for each day of the year 1487
that title is held by the corporation or subdivision. 1488

Upon transferring the title to another person, the 1489
corporation or electing subdivision shall file with the county 1490
auditor an affidavit or conveyance form affirming that the title 1491
was transferred to such other person and shall identify the 1492
transferee by name. If the corporation or subdivision transfers 1493
title to the property to anyone that does not qualify or the use 1494
to which the property is put does not qualify the property for 1495
an exemption under this section or any other section of the 1496
Revised Code, the exemption, if it has not previously expired, 1497
shall terminate, and the property shall be restored to the tax 1498
list for the year following the year of the transfer. A charge 1499

shall be levied against the property in an amount equal to the 1500
amount of additional taxes that would have been levied if such 1501
property had not been exempt from taxation. The charge 1502
constitutes a lien of the state upon such property as of the 1503
first day of January of the tax year in which the charge is 1504
levied and continues until discharged as provided by law. 1505

In lieu of the application for exemption otherwise 1506
required to be filed as required under section 5715.27 of the 1507
Revised Code, a county land reutilization corporation holding 1508
the property shall, upon the request of any county or state 1509
agency, submit its articles of incorporation substantiating its 1510
status as a county land reutilization corporation. 1511

(G) Real property that is owned by an organization 1512
described under section 501(c) (3) of the Internal Revenue Code 1513
and exempt from federal income taxation under section 501(a) of 1514
the Internal Revenue Code and that is used by that organization 1515
exclusively for receiving, processing, or distributing human 1516
blood, tissues, eyes, or organs or for research and development 1517
thereof shall be exempt from taxation. 1518

Sec. 5709.45. (A) As used in sections 5709.45 to 5709.47 1519
of the Revised Code: 1520

(1) "Downtown redevelopment district" or "district" means 1521
an area not more than ten acres enclosed by a continuous 1522
boundary in which at least one historic building is being, or 1523
will be, rehabilitated. 1524

(2) "Historic building" and "rehabilitation" have the same 1525
meanings as in section 149.311 of the Revised Code. 1526

(3) "Public infrastructure improvement" has the same 1527
meaning as in section 5709.40 of the Revised Code. 1528

(4) "Improvement" means the increase in the assessed value of real property that would first appear on the tax list after the effective date of an ordinance adopted under this section were it not for the exemption granted by the ordinance. 1529
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(5) "Innovation district" means an area located entirely within a downtown redevelopment district, enclosed by a continuous boundary, and equipped with a high-speed broadband network capable of download speeds of at least one hundred gigabits per second. 1533
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(6) "Qualified business" means a business primarily engaged, or primarily organized to engage, in a trade or business that involves research and development, technology transfer, bio-technology, information technology, or the application of new technology developed through research and development or acquired through technology transfer. 1538
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(7) "Information technology" means the branch of technology devoted to the study and application of data and the processing thereof; the automatic acquisition, storage, manipulation or transformation, management, movement, control, display, switching, interchange, transmission or reception of data, and the development or use of hardware, software, firmware, and procedures associated with this processing. 1544
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"Information technology" includes matters concerned with the furtherance of computer science and technology, design, development, installation, and implementation of information systems and applications that in turn will be licensed or sold to a specific target market. "Information technology" does not include the creation of a distribution method for existing products and services. 1551
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(8) "Research and development" means designing, creating, 1558

or formulating new or enhanced products, equipment, or 1559
processes, and conducting scientific or technological inquiry 1560
and experimentation in the physical sciences with the goal of 1561
increasing scientific knowledge that may reveal the bases for 1562
new or enhanced products, equipment, or processes. 1563

(9) "Technology transfer" means the transfer of technology 1564
from one sector of the economy to another, including the 1565
transfer of military technology to civilian applications, 1566
civilian technology to military applications, or technology from 1567
public or private research laboratories to military or civilian 1568
applications. 1569

(B) For the purposes of promoting rehabilitation of 1570
historic buildings, creating jobs, and encouraging economic 1571
development in commercial and mixed-use commercial and 1572
residential areas, the legislative authority of a municipal 1573
corporation may adopt an ordinance creating a downtown 1574
redevelopment district and declaring improvements to parcels 1575
within the district to be a public purpose and exempt from 1576
taxation. Downtown redevelopment districts shall not be created 1577
in areas used exclusively for residential purposes and shall not 1578
be utilized for development or redevelopment of residential 1579
areas. 1580

The ordinance shall specify all of the following: 1581

(1) The boundary of the district; 1582

(2) The county treasurer's permanent parcel number 1583
associated with each parcel included in the district; 1584

(3) The parcel or parcels within the district that include 1585
a historic building that is being or will be rehabilitated; 1586

(4) The proposed life of the district; 1587

(5) An economic development plan for the district that 1588
includes all of the following: 1589

(a) A statement describing the principal purposes and 1590
goals to be served by creating the district; 1591

(b) An explanation of how the municipal corporation will 1592
collaborate with businesses and property owners within the 1593
district to develop strategies for achieving such purposes and 1594
goals; 1595

(c) A plan for using the service payments provided for in 1596
section 5709.46 of the Revised Code to promote economic 1597
development and job creation within the district. 1598

Not more than seventy per cent of improvements to parcels 1599
within a downtown redevelopment district may be exempted from 1600
taxation under this section. A district may not include a parcel 1601
that is or has been exempted from taxation under this section or 1602
section 5709.40 or 5709.41 of the Revised Code. Except as 1603
provided in division (F) of this section, the life of a downtown 1604
redemption district shall not exceed ten years. 1605

A municipal corporation may adopt more than one ordinance 1606
under division (B) of this section. A single such ordinance may 1607
create more than one downtown redemption district. 1608

(C) For the purposes of attracting and facilitating growth 1609
of qualified businesses and supporting the economic development 1610
efforts of business incubators and accelerators, the legislative 1611
authority of a municipal corporation may designate an innovation 1612
district within a proposed or existing downtown redemption 1613
district. The life of the innovation district shall be identical 1614
to the downtown redemption district in which the innovation 1615
district is located. In addition to the requirements in division 1616

(B) of this section, an ordinance creating a downtown 1617
redevelopment district that includes an innovation district 1618
shall specify all of the following: 1619

(1) The boundary of the innovation district; 1620

(2) The permanent parcel number associated with each 1621
parcel included in the innovation district; 1622

(3) An economic development plan for the innovation 1623
district that meets the criteria prescribed by division (B) (5) 1624
of this section. 1625

(D) At least thirty days before adopting an ordinance 1626
under division (B) of this section, the legislative authority of 1627
the municipal corporation shall conduct a public hearing on the 1628
proposed ordinance and the accompanying economic development 1629
plan. At least thirty days before the public hearing, the 1630
legislative authority shall give notice of the public hearing 1631
and the proposed ordinance by first class mail to every real 1632
property owner whose property is located within the boundaries 1633
of the proposed district that is the subject of the proposed 1634
ordinance. 1635

(E) Revenue derived from downtown redevelopment district 1636
service payments may be used by the municipal corporation for 1637
any of the following purposes: 1638

(1) To finance or support loans, deferred loans, or grants 1639
to owners of historic buildings within the downtown 1640
redevelopment district. Such loans or grants shall be awarded 1641
upon the condition that the loan or grant amount may be used by 1642
the owner only to rehabilitate the historic building. A 1643
municipal corporation that awards a loan or grant under this 1644
division shall develop a plan for tracking the loan or grant 1645

recipient's use of the loan or grant and monitoring the progress 1646
of the recipient's rehabilitation project. 1647

(2) To make contributions to a special improvement 1648
district for use under section 1710.14 of the Revised Code, to a 1649
community improvement corporation for use under section 1724.12 1650
of the Revised Code, or to a nonprofit corporation, as defined 1651
in section 1702.01 of the Revised Code, the primary purpose of 1652
which is redeveloping historic buildings and historic districts 1653
for use by the corporation to rehabilitate a historic building 1654
within the downtown redevelopment district or to otherwise 1655
promote or enhance the district. Amounts contributed under 1656
division (E) (2) of this section shall not exceed the property 1657
tax revenue that would have been generated by twenty per cent of 1658
the assessed value of the exempted improvements within the 1659
downtown redevelopment district. 1660

(3) To finance or support loans to owners of one or more 1661
buildings located within the district that do not qualify as 1662
historic buildings. Such loans shall be awarded upon the 1663
condition that the loan amount may be used by the owner only to 1664
make repairs and improvements to the building or buildings. A 1665
municipal corporation that awards a loan under this division 1666
shall develop a plan for tracking the loan recipient's use of 1667
the loan and monitoring the progress of the recipient's repairs 1668
or improvements. 1669

(4) To finance public infrastructure improvements within 1670
the downtown redevelopment district. If revenue generated by the 1671
downtown redevelopment district will be used to finance public 1672
infrastructure improvements, the economic development plan 1673
described by division (B) (5) of this section shall identify 1674
specific projects that are being or will be undertaken within 1675

the district and describe how such infrastructure improvements 1676
will accommodate additional demands on the existing 1677
infrastructure within the district. A municipal corporation 1678
shall not use service payments derived from a downtown 1679
redevelopment district to repair or replace police or fire 1680
equipment. 1681

(5) To finance or support loans, deferred loans, or grants 1682
to qualified businesses or to incubators and accelerators that 1683
provide services and capital to qualified businesses within an 1684
innovation district. Such loans or grants shall be awarded upon 1685
the condition that the loan or grant shall be used by the 1686
recipient to start or develop one or more qualified businesses 1687
within the innovation district. A municipal corporation that 1688
awards a loan or grant under this division shall develop a plan 1689
for tracking the loan or grant recipient's use of the loan or 1690
grant and monitoring the establishment and growth of the 1691
qualified business. 1692

(F) Notwithstanding division (B) of this section, 1693
improvements to parcels located within a downtown redevelopment 1694
district may be exempted from taxation under this section for up 1695
to thirty years if either of the following apply: 1696

(1) The ordinance creating the redevelopment district 1697
specifies that payments in lieu of taxes shall be paid to the 1698
city, local, or exempted village, and joint vocational school 1699
district or districts in which the redevelopment district is 1700
located in the amount of the taxes that would have been payable 1701
to the school district or districts if the improvements had not 1702
been exempted from taxation. 1703

(2) The municipal corporation creating the district 1704
obtains the approval under division (G) of this section of the 1705

board of education of each city, local, and exempted village 1706
school district within which the district will be located. 1707

(G) (1) The legislative authority of a municipal 1708
corporation seeking the approval of a school district for the 1709
purpose of division (G) (2) of this section shall send notice of 1710
the proposed ordinance to the school district not later than 1711
forty-five business days before it intends to adopt the 1712
ordinance. The notice shall include a copy of the proposed 1713
ordinance and shall indicate the date on which the legislative 1714
authority intends to adopt the ordinance. The board of education 1715
of the school district, by resolution adopted by a majority of 1716
the board, may do any of the following: 1717

(a) Approve the exemption for the number of years 1718
specified in the proposed ordinance; 1719

(b) Disapprove the exemption for the number of years in 1720
excess of ten; 1721

(c) Approve the exemption on the condition that the 1722
legislative authority and the board negotiate an agreement 1723
providing for compensation to the school district equal in value 1724
to a percentage of the amount of taxes exempted in the eleventh 1725
and subsequent years of the exemption period or other mutually 1726
agreeable compensation. If an agreement is negotiated under this 1727
division, the legislative authority shall compensate all joint 1728
vocational school districts within which the downtown 1729
redevelopment district is located at the same rate and under the 1730
same terms received by the city, local, or exempted village 1731
school district. 1732

(2) The board of education shall certify a resolution 1733
adopted under division (G) (1) of this section to the legislative 1734

authority of the municipal corporation not later than fourteen 1735
days before the date the legislative authority intends to adopt 1736
the ordinance as indicated in the notice. If the board of 1737
education approves the ordinance or negotiates a mutually 1738
acceptable compensation agreement with the legislative 1739
authority, the legislative authority may enact the ordinance in 1740
its current form. If the board disapproves of the ordinance and 1741
fails to negotiate a mutually acceptable compensation agreement 1742
with the legislative authority, the legislative authority may 1743
exempt improvements to parcels within the downtown redevelopment 1744
district for not more than ten years. If the board fails to 1745
certify a resolution to the legislative authority within the 1746
time prescribed by this division, the legislative authority may 1747
adopt the ordinance and may exempt improvements to parcels 1748
within the downtown redevelopment district for the period of 1749
time specified in the notice delivered to the board of 1750
education. The legislative authority may adopt the ordinance at 1751
any time after the board of education certifies its resolution 1752
approving the exemption to the legislative authority or, if the 1753
board approves the exemption on the condition that a mutually 1754
acceptable compensation agreement be negotiated, at any time 1755
after the compensation agreement is agreed to by the board and 1756
the legislative authority. 1757

(3) If a board of education has adopted a resolution 1758
waiving its right to approve exemptions from taxation under this 1759
section and the resolution remains in effect, approval of 1760
exemptions by the board is not required under division (G) of 1761
this section. If a board of education has adopted a resolution 1762
allowing a legislative authority to deliver the notice required 1763
under division (G)(1) of this section fewer than forty-five 1764
business days before the legislative authority's adoption of the 1765

ordinance, the legislative authority shall deliver the notice to 1766
the board not later than the number of days before such adoption 1767
as prescribed by the board in its resolution. If a board of 1768
education adopts a resolution waiving its right to approve 1769
agreements or shortening the notification period, the board 1770
shall certify a copy of the resolution to the legislative 1771
authority. If the board of education rescinds such a resolution, 1772
it shall certify notice of the rescission to the legislative 1773
authority. 1774

(4) If the legislative authority is not required by 1775
division (G) of this section to notify the board of education of 1776
the legislative authority's intent to create a downtown 1777
redevelopment district, the legislative authority shall comply 1778
with the notice requirements imposed under section 5709.83 of 1779
the Revised Code, unless the board has adopted a resolution 1780
under that section waiving its right to receive such a notice. 1781

(H) Service payments in lieu of taxes that are 1782
attributable to any amount by which the effective tax rate of 1783
either a renewal levy with an increase or a replacement levy 1784
exceeds the effective tax rate of the levy renewed or replaced, 1785
or that are attributable to an additional levy, for a levy 1786
authorized by the voters for any of the following purposes on or 1787
after January 1, 2006, and which are provided pursuant to an 1788
ordinance creating a downtown redevelopment district under 1789
division (B) of this section shall be distributed to the 1790
appropriate taxing authority as required under division (C) of 1791
section 5709.46 of the Revised Code in an amount equal to the 1792
amount of taxes from that additional levy or from the increase 1793
in the effective tax rate of such renewal or replacement levy 1794
that would have been payable to that taxing authority from the 1795
following levies were it not for the exemption authorized under 1796

<u>division (B) of this section:</u>	1797
<u>(1) A tax levied under division (L) of section 5705.19 or</u>	1798
<u>section 5705.191 of the Revised Code for community mental</u>	1799
<u>retardation and developmental disabilities programs and services</u>	1800
<u>pursuant to Chapter 5126. of the Revised Code;</u>	1801
<u>(2) A tax levied under division (Y) of section 5705.19 of</u>	1802
<u>the Revised Code for providing or maintaining senior citizens</u>	1803
<u>services or facilities;</u>	1804
<u>(3) A tax levied under section 5705.22 of the Revised Code</u>	1805
<u>for county hospitals;</u>	1806
<u>(4) A tax levied by a joint-county district or by a county</u>	1807
<u>under section 5705.19, 5705.191, or 5705.221 of the Revised Code</u>	1808
<u>for alcohol, drug addiction, and mental health services or</u>	1809
<u>facilities;</u>	1810
<u>(5) A tax levied under section 5705.23 of the Revised Code</u>	1811
<u>for library purposes;</u>	1812
<u>(6) A tax levied under section 5705.24 of the Revised Code</u>	1813
<u>for the support of children services and the placement and care</u>	1814
<u>of children;</u>	1815
<u>(7) A tax levied under division (Z) of section 5705.19 of</u>	1816
<u>the Revised Code for the provision and maintenance of zoological</u>	1817
<u>park services and facilities under section 307.76 of the Revised</u>	1818
<u>Code;</u>	1819
<u>(8) A tax levied under section 511.27 or division (H) of</u>	1820
<u>section 5705.19 of the Revised Code for the support of township</u>	1821
<u>park districts;</u>	1822
<u>(9) A tax levied under division (A), (F), or (H) of</u>	1823
<u>section 5705.19 of the Revised Code for parks and recreational</u>	1824

purposes of a joint recreation district organized pursuant to 1825
division (B) of section 755.14 of the Revised Code; 1826

(10) A tax levied under section 1545.20 or 1545.21 of the 1827
Revised Code for park district purposes; 1828

(11) A tax levied under section 5705.191 of the Revised 1829
Code for the purpose of making appropriations for public 1830
assistance; human or social services; public relief; public 1831
welfare; public health and hospitalization; and support of 1832
general hospitals; 1833

(12) A tax levied under section 3709.29 of the Revised 1834
Code for a general health district program. 1835

(I) An exemption from taxation granted under this section 1836
commences with the tax year specified in the ordinance so long 1837
as the year specified in the ordinance commences after the 1838
effective date of the ordinance. If the ordinance specifies a 1839
year commencing before the effective date of the ordinance or 1840
specifies no year whatsoever, the exemption commences with the 1841
tax year in which an exempted improvement first appears on the 1842
tax list and that commences after the effective date of the 1843
ordinance. In lieu of stating a specific year, the ordinance may 1844
provide that the exemption commences in the tax year in which 1845
the value of an improvement exceeds a specified amount or in 1846
which the construction of one or more improvements is completed, 1847
provided that such tax year commences after the effective date 1848
of the ordinance. 1849

Except as otherwise provided in this division, the 1850
exemption ends on the date specified in the ordinance as the 1851
date the improvement ceases to be a public purpose or the 1852
downtown redevelopment district expires, whichever occurs first. 1853

The exemption of an improvement within a downtown redevelopment district may end on a later date, as specified in the ordinance, if the legislative authority and the board of education of the city, local, or exempted village school district within which the parcel or district is located have entered into a compensation agreement under section 5709.82 of the Revised Code with respect to the improvement, and the board of education has approved the term of the exemption under division (G) of this section, but in no case shall the improvement be exempted from taxation for more than thirty years. Exemptions shall be claimed and allowed in the same manner as in the case of other real property exemptions. If an exemption status changes during a year, the procedure for the apportionment of the taxes for that year is the same as in the case of other changes in tax exemption status during the year. 1854
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(J) Additional municipal financing of the projects and services described in division (E) of this section may be provided by any methods that the municipal corporation may otherwise use for financing such projects and services. If the municipal corporation issues bonds or notes to finance such projects and services and pledges money from the municipal downtown redevelopment district fund to pay the interest on and principal of the bonds or notes, the bonds or notes are not subject to Chapter 133. of the Revised Code. 1869
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(K) The municipal corporation, not later than fifteen days after the adoption of an ordinance under this section, shall submit to the director of development services a copy of the ordinance. On or before the thirty-first day of March of each year, the municipal corporation shall submit a status report to the director of development services. The report shall indicate, in the manner prescribed by the director, the progress of the 1878
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projects and services during each year that an exemption remains 1885
in effect, including a summary of the receipts from service 1886
payments in lieu of taxes; expenditures of money from the funds 1887
created under section 5709.47 of the Revised Code; a description 1888
of the projects and services financed with such expenditures; 1889
and a quantitative summary of changes in employment and private 1890
investment resulting from each project and service. 1891

(L) Nothing in this section shall be construed to prohibit 1892
a legislative authority from declaring to be a public purpose 1893
improvements with respect to more than one parcel. 1894

(M) (1) The owner of real property located in a downtown 1895
redevelopment district may enter into an agreement with the 1896
municipal corporation that created the district to impose a 1897
redevelopment charge on the property to cover all or part of the 1898
cost of services, facilities, and improvements provided within 1899
the district under division (E) of this section. The agreement 1900
shall include the following: 1901

(a) The amount of the redevelopment charge. The 1902
redevelopment charge may be a fixed dollar amount or an amount 1903
determined on the basis of the assessed valuation of the 1904
property or all or part of the profits, gross receipts, or other 1905
revenues of a business operating on the property, including 1906
rentals received from leases of the property. If the property is 1907
leased to one or more tenants, the redevelopment charge may be 1908
itemized as part of the lease rate. 1909

(b) The termination date of the redevelopment charge. The 1910
redevelopment charge shall not be charged after the expiration 1911
or termination of the downtown redevelopment district. 1912

(c) The terms by which the municipal corporation shall 1913

collect the redevelopment charge. 1914

(d) The purposes for which the redevelopment charge may be used by the municipal corporation. The redevelopment charge shall be used only for those purposes described by division (E) of this section. The agreement may specify any or all of such purposes. 1915
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(2) Redevelopment charges collected by a municipal corporation under division (M) of this section shall be deposited to the municipal downtown redevelopment district fund created under section 5709.47 of the Revised Code. 1920
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(3) An agreement by a property owner under division (M) of this section is hereby deemed to be a covenant running with the land. The covenant is fully binding on behalf of and enforceable by the municipal corporation against any person acquiring an interest in the land and all of that person's successors and assigns. 1924
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(4) No purchase agreement for real estate or any interest in real estate upon which a redevelopment charge is levied shall be enforceable by the seller or binding upon the purchaser unless the purchase agreement specifically refers to the redevelopment charge. If a conveyance of such real estate or interest in such real estate is made pursuant to a purchase agreement that does not make such reference, the redevelopment charge shall continue to be a covenant running with the land fully binding on behalf of and enforceable by the municipal corporation against the person accepting the conveyance pursuant to the purchase agreement. 1930
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(5) If a redevelopment charge is not paid when due, the overdue amount shall be collected according to the terms of the 1941
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agreement. If the agreement does not specify a procedure for 1943
collecting overdue redevelopment charges, the municipal 1944
corporation may certify the charge to the county auditor. The 1945
county auditor shall enter the unpaid charge on the tax list and 1946
duplicate of real property opposite the parcel against which it 1947
is charged and certify the charge to the county treasurer. The 1948
unpaid redevelopment charge is a lien on property against which 1949
it is charged from the date the charge is entered on the tax 1950
list, and shall be collected in the manner provided for the 1951
collection of real property taxes. Once the charge is collected, 1952
it shall be paid immediately to the municipal corporation. 1953

Sec. 5709.46. (A) A municipal corporation that has 1954
declared an improvement to be a public purpose under section 1955
5709.45 of the Revised Code may require the owner of any 1956
structure located on the parcel to make annual service payments 1957
in lieu of taxes to the county treasurer on or before the final 1958
dates for payment of real property taxes. Each such payment 1959
shall be charged and collected in the same manner and in the 1960
same amount as the real property taxes that would have been 1961
charged and payable against the improvement if it were not 1962
exempt from taxation. If any reduction in the levies otherwise 1963
applicable to such exempt property is made by the county budget 1964
commission under section 5705.31 of the Revised Code, the amount 1965
of the service payment in lieu of taxes shall be calculated as 1966
if such reduction in levies had not been made. 1967

(B) Moneys collected as service payments in lieu of taxes 1968
from a parcel shall be distributed at the same time and in the 1969
same manner as real property tax payments. However, subject to 1970
division (C) of this section or section 5709.913 of the Revised 1971
Code, the entire amount so collected shall be distributed to the 1972
municipal corporation in which the parcel is located. If an 1973

ordinance adopted under section 5709.45 of the Revised Code 1974
specifies that service payments shall be paid to the city, 1975
local, or exempted village school district in which the parcel 1976
is located, the county treasurer shall distribute the portion of 1977
the service payments to that school district in an amount equal 1978
to the property tax payments the school district would have 1979
received from the portion of the parcel's improvement exempted 1980
from taxation had the improvement not been exempted, as directed 1981
in the ordinance. The treasurer shall maintain a record of the 1982
service payments in lieu of taxes made from property in each 1983
municipal corporation. 1984

(C) If annual service payments in lieu of taxes are 1985
required under this section, the county treasurer shall 1986
distribute to the appropriate taxing authorities the portion of 1987
the service payments that represents payments required under 1988
division (H) of section 5709.45 of the Revised Code. 1989

(D) Nothing in this section or section 5709.45 of the 1990
Revised Code affects the taxes levied against that portion of 1991
the value of any parcel of property that is not exempt from 1992
taxation. 1993

Sec. 5709.47. (A) A municipal corporation that grants a 1994
tax exemption or enters into a redevelopment charge agreement 1995
under section 5709.45 of the Revised Code shall establish a 1996
municipal downtown redevelopment district fund into which shall 1997
be deposited service payments in lieu of taxes distributed to 1998
the municipal corporation under section 5709.46 of the Revised 1999
Code and redevelopment charges collected pursuant to division 2000
(M) of section 5709.45 of the Revised Code. If an ordinance 2001
adopted under division (B) of section 5709.45 of the Revised 2002
Code or an agreement under division (M) of that section 2003

authorizes the use of service payments or redevelopment charges 2004
for more than one of the purposes described in division (E) of 2005
that section, the municipal corporation shall establish separate 2006
accounts for the service payments and redevelopment charges 2007
designated for each such purpose. Money in an account of the 2008
municipal downtown redevelopment district fund shall be used for 2009
the purposes described in the ordinance creating the downtown 2010
redevelopment district and the redevelopment charge agreements. 2011
The municipal corporation also may deposit into any of those 2012
accounts municipal income tax revenue that has been designated 2013
by ordinance to finance the public infrastructure improvements. 2014

(B) (1) A municipal corporation may distribute money in the 2015
municipal downtown redevelopment district fund to any school 2016
district in which the exempt property is located in an amount 2017
not to exceed the amount of real property taxes that such school 2018
district would have received from the improvement if it were not 2019
exempt from taxation, or use money in the fund to finance 2020
specific public improvements benefiting the school district. The 2021
resolution or ordinance establishing the fund shall set forth 2022
the percentage of such maximum amount that will be distributed 2023
to any affected school district or used to finance specific 2024
public improvements benefiting the school district. 2025

(2) A municipal corporation also may distribute money in 2026
the municipal downtown redevelopment district fund to a county 2027
in accordance with section 5709.913 of the Revised Code. 2028

(C) Any incidental surplus remaining in the municipal 2029
downtown redevelopment district fund or an account of that fund 2030
upon dissolution of the fund or account shall be transferred to 2031
the general fund of the municipal corporation. 2032

Sec. 5709.82. (A) As used in this section: 2033

(1) "New employee" means both of the following:	2034
(a) Persons employed in the construction of real property	2035
exempted from taxation under the chapters or sections of the	2036
Revised Code enumerated in division (B) of this section;	2037
(b) Persons not described by division (A)(1)(a) of this	2038
section who are first employed at the site of such property and	2039
who within the two previous years have not been subject, prior	2040
to being employed at that site, to income taxation by the	2041
municipal corporation within whose territory the site is located	2042
on income derived from employment for the person's current	2043
employer. "New employee" does not include any person who	2044
replaces a person who is not a new employee under division (A)	2045
(1) of this section.	2046
(2) "Infrastructure costs" means costs incurred by a	2047
municipal corporation in a calendar year to acquire, construct,	2048
reconstruct, improve, plan, or equip real or tangible personal	2049
property that directly benefits or will directly benefit the	2050
exempted property. If the municipal corporation finances the	2051
acquisition, construction, reconstruction, improvement,	2052
planning, or equipping of real or tangible personal property	2053
that directly benefits the exempted property by issuing debt,	2054
"infrastructure costs" means the annual debt charges incurred by	2055
the municipal corporation from the issuance of such debt. Real	2056
or tangible personal property directly benefits exempted	2057
property only if the exempted property places or will place	2058
direct, additional demand on the real or tangible personal	2059
property for which such costs were or will be incurred.	2060
(3) "Taxing unit" has the same meaning as in division (H)	2061
of section 5705.01 of the Revised Code.	2062

(B) (1) Except as otherwise provided under division (C) of 2063
this section, the legislative authority of any political 2064
subdivision that has acted under the authority of Chapter 725. 2065
or 1728., sections 3735.65 to 3735.70, or section 5709.40, 2066
5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 2067
5709.84, or 5709.88 of the Revised Code to grant an exemption 2068
from taxation for real or tangible personal property may 2069
negotiate with the board of education of each city, local, 2070
exempted village, or joint vocational school district or other 2071
taxing unit within the territory of which the exempted property 2072
is located, and enter into an agreement whereby the school 2073
district or taxing unit is compensated for tax revenue foregone 2074
by the school district or taxing unit as a result of the 2075
exemption. Except as otherwise provided in division (B) (1) of 2076
this section, if a political subdivision enters into more than 2077
one agreement under this section with respect to a tax 2078
exemption, the political subdivision shall provide to each 2079
school district or taxing unit with which it contracts the same 2080
percentage of tax revenue foregone by the school district or 2081
taxing unit, which may be based on a good faith projection made 2082
at the time the exemption is granted. Such percentage shall be 2083
calculated on the basis of amounts paid by the political 2084
subdivision and any amounts paid by an owner under division (B) 2085
(2) of this section. A political subdivision may provide a 2086
school district or other taxing unit with a smaller percentage 2087
of foregone tax revenue than that provided to other school 2088
districts or taxing units only if the school district or taxing 2089
unit expressly consents in the agreement to receiving a smaller 2090
percentage. If a subdivision has acted under the authority of 2091
section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 2092
Revised Code and enters into a compensation agreement with a 2093
city, local, or exempted village school district, the 2094

subdivision shall provide compensation to the joint vocational 2095
school district within the territory of which the exempted 2096
property is located at the same rate and under the same terms as 2097
received by the city, local, or exempted village school 2098
district. 2099

(2) An owner of property exempted from taxation under the 2100
authority described in division (B)(1) of this section may, by 2101
becoming a party to an agreement described in division (B)(1) of 2102
this section or by entering into a separate agreement with a 2103
school district or other taxing unit, agree to compensate the 2104
school district or taxing unit by paying cash or by providing 2105
property or services by gift, loan, or otherwise. If the owner's 2106
property is exempted under the authority of section 5709.40, 2107
5709.41, 5709.45, 5709.73, or 5709.78 of the Revised Code and 2108
the owner enters into a compensation agreement with a city, 2109
local, or exempted village school district, the owner shall 2110
provide compensation to the joint vocational school district 2111
within the territory of which the owner's property is located at 2112
the same rate and under the same terms as received by the city, 2113
local, or exempted village school district. 2114

(C) This division does not apply to the following: 2115

(1) The legislative authority of a municipal corporation 2116
that has acted under the authority of division (H) of section 2117
715.70 or section 715.81 of the Revised Code to consent to the 2118
granting of an exemption from taxation for real or tangible 2119
personal property in a joint economic development district. 2120

(2) The legislative authority of a municipal corporation 2121
that has specified in an ordinance adopted under section 5709.40 2122
~~or~~, 5709.41, or 5709.45 of the Revised Code that payments in 2123
lieu of taxes provided for under section 5709.42 or 5709.46 of 2124

the Revised Code shall be paid to the city, local, or exempted 2125
village school district in which the improvements are located in 2126
the amount of taxes that would have been payable to the school 2127
district if the improvements had not been exempted from 2128
taxation, as directed in the ordinance. 2129

If the legislative authority of any municipal corporation 2130
has acted under the authority of Chapter 725. or 1728. or 2131
section 3735.671, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 2132
5709.632, or 5709.88, or a housing officer under section 3735.67 2133
of the Revised Code, to grant or consent to the granting of an 2134
exemption from taxation for real or tangible personal property 2135
on or after July 1, 1994, the municipal corporation imposes a 2136
tax on incomes, and the payroll of new employees resulting from 2137
the exercise of that authority equals or exceeds one million 2138
dollars in any tax year for which such property is exempted, the 2139
legislative authority and the board of education of each city, 2140
local, or exempted village school district within the territory 2141
of which the exempted property is located shall attempt to 2142
negotiate an agreement providing for compensation to the school 2143
district for all or a portion of the tax revenue the school 2144
district would have received had the property not been exempted 2145
from taxation. The agreement may include as a party the owner of 2146
the property exempted or to be exempted from taxation and may 2147
include provisions obligating the owner to compensate the school 2148
district by paying cash or providing property or services by 2149
gift, loan, or otherwise. Such an obligation is enforceable by 2150
the board of education of the school district pursuant to the 2151
terms of the agreement. 2152

If the legislative authority and board of education fail 2153
to negotiate an agreement that is mutually acceptable within six 2154
months of formal approval by the legislative authority of the 2155

instrument granting the exemption, the legislative authority 2156
shall compensate the school district in the amount and manner 2157
prescribed by division (D) of this section. 2158

(D) Annually, the legislative authority of a municipal 2159
corporation subject to this division shall pay to the city, 2160
local, or exempted village school district within the territory 2161
of which the exempted property is located an amount equal to 2162
fifty per cent of the difference between the amount of taxes 2163
levied and collected by the municipal corporation on the incomes 2164
of new employees in the calendar year ending on the day the 2165
payment is required to be made, and the amount of any 2166
infrastructure costs incurred in that calendar year. For 2167
purposes of such computation, the amount of infrastructure costs 2168
shall not exceed thirty-five per cent of the amount of those 2169
taxes unless the board of education of the school district, by 2170
resolution adopted by a majority of the board, approves an 2171
amount in excess of that percentage. If the amount of those 2172
taxes or infrastructure costs must be estimated at the time the 2173
payment is made, payments in subsequent years shall be adjusted 2174
to compensate for any departure of those estimates from the 2175
actual amount of those taxes. 2176

A municipal corporation required to make a payment under 2177
this section shall make the payment from its general fund or a 2178
special fund established for the purpose. The payment is payable 2179
on the thirty-first day of December of the tax year for or in 2180
which the exemption from taxation commences and on that day for 2181
each subsequent tax year property is exempted and the 2182
legislative authority and board fail to negotiate an acceptable 2183
agreement under division (C) of this section. 2184

Sec. 5709.83. (A) Except as otherwise provided in division 2185

(B) or (C) of this section, prior to taking formal action to 2186
adopt or enter into any instrument granting a tax exemption 2187
under section 725.02, 1728.06, 5709.40, 5709.41, 5709.45, 2188
5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 5709.84, or 2189
5709.88 of the Revised Code or formally approving an agreement 2190
under section 3735.671 of the Revised Code, or prior to 2191
forwarding an application for a tax exemption for residential 2192
property under section 3735.67 of the Revised Code to the county 2193
auditor, the legislative authority of the political subdivision 2194
or housing officer shall notify the board of education of each 2195
city, local, exempted village, or joint vocational school 2196
district in which the proposed tax-exempted property is located. 2197
The notice shall include a copy of the instrument or 2198
application. The notice shall be delivered not later than 2199
fourteen days prior to the day the legislative authority takes 2200
formal action to adopt or enter into the instrument, or not 2201
later than fourteen days prior to the day the housing officer 2202
forwards the application to the county auditor. If the board of 2203
education comments on the instrument or application to the 2204
legislative authority or housing officer, the legislative 2205
authority or housing officer shall consider the comments. If the 2206
board of education of the city, local, exempted village, or 2207
joint vocational school district so requests, the legislative 2208
authority or the housing officer shall meet in person with a 2209
representative designated by the board of education to discuss 2210
the terms of the instrument or application. 2211

(B) The notice otherwise required to be provided to boards 2212
of education under division (A) of this section is not required 2213
if the board has adopted a resolution waiving its right to 2214
receive such notices, and that resolution remains in effect. If 2215
a board of education adopts such a resolution, the board shall 2216

cause a copy of the resolution to be certified to the 2217
legislative authority. If the board of education rescinds such a 2218
resolution, it shall certify notice of the rescission to the 2219
legislative authority. A board of education may adopt such a 2220
resolution with respect to any one or more counties, townships, 2221
or municipal corporations situated in whole or in part within 2222
the school district. 2223

(C) If a legislative authority is required to provide 2224
notice to a city, local, or exempted village school district of 2225
its intent to grant such an exemption as required by section 2226
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 2227
Code, the legislative authority, before adopting a resolution or 2228
ordinance under that section, shall notify the board of 2229
education of each joint vocational school district in which the 2230
property to be exempted is located using the same time 2231
requirements for the notice that applies to notices to city, 2232
local, and exempted village school districts. The content of the 2233
notice and procedures for responding to the notice are the same 2234
as required in division (A) of this section. 2235

Sec. 5709.831. (A) As used in this section: 2236

(1) "Exempted improvements" means improvements exempted 2237
from taxation under section 5709.40, 5709.41, 5709.45, 5709.73, 2238
or 5709.78 of the Revised Code. 2239

(2) "Political subdivision" means the county, township, or 2240
municipal corporation granting an exemption from taxation under 2241
section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 2242
Revised Code. 2243

(B) The legislative authority of a political subdivision 2244
that grants an exemption from taxation for an improvement under 2245

section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 2246
Revised Code may require the owner of the improvement to 2247
reimburse the local taxing authorities within whose taxing 2248
jurisdiction the exempted improvement is located for the amount 2249
of real property taxes that would have been payable to the 2250
taxing authorities had the improvement not been exempted from 2251
taxation. If the legislative authority requires the owner of the 2252
exempted improvements to make payments in lieu of taxes, the 2253
legislative authority may require such reimbursement only to the 2254
extent that the owner failed to make those payments as required. 2255
The legislative authority may secure any reimbursement 2256
authorized by this section by a lien on the exempted property, 2257
which shall attach, and may be perfected, collected, and 2258
enforced, in the same manner as a mortgage lien on real 2259
property, and which shall otherwise have the same force and 2260
effect as a mortgage lien on real property. 2261

Sec. 5709.832. The legislative authority of a county, 2262
township, or municipal corporation that grants an exemption from 2263
taxation under Chapter 725. or 1728. or section 3735.67, 2264
5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 2265
or 5709.78 of the Revised Code shall develop policies to ensure 2266
that the recipient of the exemption practices nondiscriminatory 2267
hiring in its operations. As used in this section, 2268
"nondiscriminatory hiring" means that no individual may be 2269
denied employment solely on the basis of race, religion, sex, 2270
disability, color, national origin, or ancestry. 2271

Sec. 5709.85. (A) The legislative authority of a county, 2272
township, or municipal corporation that grants an exemption from 2273
taxation under Chapter 725. or 1728. or under section 3735.67, 2274
5709.28, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 2275
5709.73, or 5709.78 of the Revised Code shall create a tax 2276

incentive review council. The council shall consist of the 2277
following members: 2278

(1) In the case of a municipal corporation eligible to 2279
designate a zone under section 5709.62 of the Revised Code, the 2280
chief executive officer or that officer's designee; a member of 2281
the legislative authority of the municipal corporation, 2282
appointed by the president of the legislative authority or, if 2283
the chief executive officer of the municipal corporation is the 2284
president, appointed by the president pro tempore of the 2285
legislative authority; the county auditor or the county 2286
auditor's designee; the chief financial officer of the municipal 2287
corporation or that officer's designee; an individual appointed 2288
by the board of education of each city, local, exempted village, 2289
and joint vocational school district to which the instrument 2290
granting the exemption applies; and two members of the public 2291
appointed by the chief executive officer of the municipal 2292
corporation with the concurrence of the legislative authority. 2293
At least four members of the council shall be residents of the 2294
municipal corporation, and at least one of the two public 2295
members appointed by the chief executive officer shall be a 2296
minority. As used in division (A) (1) of this section, a 2297
"minority" is an individual who is African-American, Hispanic, 2298
or Native American. 2299

(2) In the case of a county or a municipal corporation 2300
that is not eligible to designate a zone under section 5709.62 2301
or 5709.632 of the Revised Code, three members appointed by the 2302
board of county commissioners; two members from each municipal 2303
corporation to which the instrument granting the tax exemption 2304
applies, appointed by the chief executive officer with the 2305
concurrence of the legislative authority of the respective 2306
municipal corporations; two members of each township to which 2307

the instrument granting the tax exemption applies, appointed by 2308
the board of township trustees of the respective townships; the 2309
county auditor or the county auditor's designee; and an 2310
individual appointed by the board of education of each city, 2311
local, exempted village, and joint vocational school district to 2312
which the instrument granting the tax exemption applies. At 2313
least two members of the council shall be residents of the 2314
municipal corporations or townships to which the instrument 2315
granting the tax exemption applies. 2316

(3) In the case of a township in which improvements are 2317
declared a public purpose under section 5709.73 of the Revised 2318
Code, the board of township trustees; the county auditor or the 2319
county auditor's designee; and an individual appointed by the 2320
board of education of each city, local, exempted village, and 2321
joint vocational school district to which the instrument 2322
granting the exemption applies. 2323

(B) The county auditor or the county auditor's designee 2324
shall serve as the chairperson of the council. The council shall 2325
meet at the call of the chairperson. At the first meeting of the 2326
council, the council shall select a vice-chairperson. Attendance 2327
by a majority of the members of the council constitutes a quorum 2328
to conduct the business of the council. 2329

(C) (1) Annually, the tax incentive review council shall 2330
review all agreements granting exemptions from property taxation 2331
under Chapter 725. or 1728. or under section 3735.671, 5709.28, 2332
5709.62, 5709.63, or 5709.632 of the Revised Code, and any 2333
performance or audit reports required to be submitted pursuant 2334
to those agreements. The review shall include agreements 2335
granting such exemptions that were entered into prior to July 2336
22, 1994, that continue to be in force and applicable to the 2337

current year's property taxes. 2338

With respect to each agreement, other than an agreement 2339
entered into under section 5709.28 of the Revised Code, the 2340
council shall determine whether the owner of the exempted 2341
property has complied with the agreement, and may take into 2342
consideration any fluctuations in the business cycle unique to 2343
the owner's business. 2344

With respect to an agreement entered into under section 2345
5709.28 of the Revised Code, the council shall consist of the 2346
members described in division (A)(2) of this section and shall 2347
determine whether the agreement complies with the requirements 2348
of section 5709.28 of the Revised Code and whether a withdrawal, 2349
removal, or conversion of land from an agricultural security 2350
area established under Chapter 931. of the Revised Code has 2351
occurred in a manner that makes the exempted property no longer 2352
eligible for the exemption. 2353

On the basis of the determinations, on or before the first 2354
day of September of each year, the council shall submit to the 2355
legislative authority written recommendations for continuation, 2356
modification, or cancellation of each agreement. 2357

(2) Annually, the tax incentive review council shall 2358
review all exemptions from property taxation resulting from the 2359
declaration of public purpose improvements pursuant to section 2360
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 2361
Code. The review shall include such exemptions that were granted 2362
prior to July 22, 1994, that continue to be in force and 2363
applicable to the current year's property taxes. With respect to 2364
each improvement for which an exemption is granted, the council 2365
shall determine the increase in the true value of parcels of 2366
real property on which improvements have been undertaken as a 2367

result of the exemption; the value of improvements exempted from 2368
taxation as a result of the exemption; and the number of new 2369
employees or employees retained on the site of the improvement 2370
as a result of the exemption. 2371

Upon the request of a tax incentive review council, the 2372
county auditor, the housing officer appointed pursuant to 2373
section 3735.66 of the Revised Code, the owner of a new or 2374
remodeled structure or improvement, and the legislative 2375
authority of the county, township, or municipal corporation 2376
granting the exemption shall supply the council with any 2377
information reasonably necessary for the council to make the 2378
determinations required under division (C) of this section, 2379
including returns or reports filed pursuant to sections 5711.02, 2380
5711.13, and 5727.08 of the Revised Code. 2381

(D) Annually, the tax incentive review council shall 2382
review the compliance of each recipient of a tax exemption under 2383
Chapter 725. or 1728. or section 3735.67, 5709.40, 5709.41, 2384
5709.45, 5709.62, 5709.63, 5709.632, 5709.73, or 5709.78 of the 2385
Revised Code with the nondiscriminatory hiring policies 2386
developed by the county, township, or municipal corporation 2387
under section 5709.832 of the Revised Code. Upon the request of 2388
the council, the recipient shall provide the council any 2389
information necessary to perform its review. On the basis of its 2390
review, the council may submit to the legislative authority 2391
written recommendations for enhancing compliance with the 2392
nondiscriminatory hiring policies. 2393

(E) A legislative authority that receives from a tax 2394
incentive review council written recommendations under division 2395
(C) (1) or (D) of this section shall, within sixty days after 2396
receipt, hold a meeting and vote to accept, reject, or modify 2397

all or any portion of the recommendations. 2398

(F) A tax incentive review council may request from the 2399
recipient of a tax exemption under Chapter 725. or 1728. or 2400
section 3735.67, 5709.28, 5709.40, 5709.41, 5709.45, 5709.62, 2401
5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code any 2402
information reasonably necessary for the council to perform its 2403
review under this section. The request shall be in writing and 2404
shall be sent to the recipient by certified mail. Within ten 2405
days after receipt of the request, the recipient shall provide 2406
to the council the information requested. 2407

Sec. 5709.91. Service payments in lieu of taxes required 2408
under sections 725.04, 5709.42, 5709.46, 5709.74, and 5709.79 of 2409
the Revised Code, minimum service payment obligations, and 2410
service charges in lieu of taxes required under sections 1728.11 2411
and 1728.111 of the Revised Code, shall be treated in the same 2412
manner as taxes for all purposes of the lien described in 2413
section 323.11 of the Revised Code, including, but not limited 2414
to, the priority and enforcement of the lien and the collection 2415
of the service payments, minimum service payment obligations, or 2416
service charges secured by the lien. For the purposes of this 2417
section, a "minimum service payment obligation" is an 2418
obligation, including a contingent obligation, for a person to 2419
make a payment to a county, township, or municipal corporation 2420
to ensure sufficient funds to finance public infrastructure 2421
improvements or, if applicable, housing renovations, pursuant to 2422
an agreement between that person and the county, township, or 2423
municipal corporation for the purposes of sections 5709.40 to 2424
5709.43, 5709.45 to 5709.47, 5709.73 to 5709.75, or 5709.77 to 2425
5709.81 of the Revised Code. 2426

Sec. 5709.911. (A) (1) A municipal corporation, township, 2427

or county that has enacted an ordinance or resolution under 2428
section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 2429
Revised Code or that has entered into an agreement referred to 2430
in section 725.02 or 1728.07 of the Revised Code may file an 2431
application for exemption under those sections in the same 2432
manner as other real property tax exemptions, notwithstanding 2433
the indication in division (A) of section 5715.27 of the Revised 2434
Code that the owner of the property may file the application. 2435

(2) Except as provided in division (B) of this section, if 2436
the application for exemption under section 725.02, 1728.10, 2437
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 2438
Code is filed by a municipal corporation, township, or county 2439
and more than one real property tax exemption applies by law to 2440
the property or a portion of the property, both of the following 2441
apply: 2442

(a) An exemption granted under section 725.02, 1728.10, 2443
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 2444
Code shall be subordinate to an exemption with respect to the 2445
property or portion of the property granted under any other 2446
provision of the Revised Code. 2447

(b) Neither service payments in lieu of taxes under 2448
section 725.04, 5709.42, 5709.46, 5709.74, or 5709.79 of the 2449
Revised Code, nor service charges in lieu of taxes under section 2450
1728.11 or 1728.111 of the Revised Code, shall be required with 2451
respect to the property or portion of the property that is 2452
exempt from real property taxes under that other provision of 2453
the Revised Code during the effective period of the exemption. 2454

(B) (1) If the application for exemption under section 2455
725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 2456
of the Revised Code is filed by the owner of the property or by 2457

a municipal corporation, township, or county with the owner's 2458
written consent attached to the application, and if more than 2459
one real property tax exemption applies by law to the property 2460
or a portion of the property, no other exemption shall be 2461
granted for the portion of the property already exempt under 2462
section 725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 2463
5709.78 of the Revised Code unless the municipal corporation, 2464
township, or county that enacted the authorizing ordinance or 2465
resolution for the earlier exemption provides its duly 2466
authorized written consent to the subsequent exemption by means 2467
of a duly enacted ordinance or resolution. 2468

(2) If the application for exemption under section 725.02, 2469
1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 2470
Revised Code is filed by a municipal corporation, township, or 2471
county and approved by the tax commissioner, if the owner of the 2472
property subsequently provides written consent to the exemption 2473
and the consent is filed with the tax commissioner, and if more 2474
than one real property tax exemption applies by law to the 2475
property or a portion of the property, no other exemption shall 2476
be granted for the portion of the property already exempt under 2477
section 725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 2478
5709.78 of the Revised Code unless the municipal corporation, 2479
township, or county that enacted the authorizing ordinance or 2480
resolution for the earlier exemption provides its duly 2481
authorized written consent to the subsequent exemption by means 2482
of a duly enacted ordinance or resolution. 2483

(C) (1) After the tax commissioner has approved or 2484
partially approved an application for exemption filed by or with 2485
the consent of a property owner under the circumstances 2486
described in division (B) (1) of this section, the municipal 2487
corporation, township, county, or property owner shall file a 2488

notice with the county recorder for the county in which the 2489
property is located that clearly identifies the property and the 2490
owner of the property and states that the property, regardless 2491
of future use or ownership, remains liable for any service 2492
payments or service charges required by the exemption until the 2493
terms of the exemption have been satisfied, unless the municipal 2494
corporation, township, or county consents to the subsequent 2495
exemption and relinquishes its right to collect the service 2496
payments or service charges as provided in division (B) (1) of 2497
this section. The county recorder's office shall charge a fee of 2498
fourteen dollars to record the notice, the proceeds of which 2499
shall be retained by the county. 2500

(2) If a property owner subsequently provides written 2501
consent to an exemption under the circumstances described in 2502
division (B) (2) of this section, the municipal corporation, 2503
township, county, or property owner shall file notice with the 2504
county recorder for the county in which the property is located 2505
that clearly identifies the property and the owner of the 2506
property and states that the property, regardless of future use 2507
or ownership, remains liable for any service payments or service 2508
charges required by the exemption until the terms of the 2509
exemption have been satisfied, unless the municipal corporation, 2510
township, or county consents to the subsequent exemption and 2511
relinquishes its right to collect the service payments or 2512
service charges as provided in division (B) (2) of this section. 2513
The county recorder's office shall charge a fee of fourteen 2514
dollars to record the notice, the proceeds of which shall be 2515
retained by the county. 2516

(D) Upon filing of the notice with the county recorder, 2517
the provisions of division (B) of this section are binding on 2518
all future owners of the property or portion of the property, 2519

regardless of how the property is used. Failure to file the notice with the county recorder relieves future owners of the property from the obligation to make service payments in lieu of taxes under section 725.04, 5709.42, 5709.46, 5709.74, or 5709.79 of the Revised Code or service charges in lieu of taxes under section 1728.11 or 1728.111 of the Revised Code, if the property or a portion of the property later qualifies for exemption under any other provision of the Revised Code. Failure to file the notice does not, however, relieve the owner of the property, at the time the application for exemption is filed, from making those payments or charges.

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

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

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

(B) This section applies to any parcel of real property that is located within an incentive district created by a municipal corporation or township under section 5709.40 or 5709.73 of the Revised Code or within a downtown redevelopment district created by a municipal corporation under section 5709.45 of the Revised Code, and concerning which the municipal corporation or township applied for an exemption from taxation on behalf of the property owner under section 5709.911 of the

Revised Code. 2550

(C) Each time a county auditor's sexennial reappraisal or 2551
triennial update of the assessed value of a parcel of real 2552
property to which this section applies results in an increase in 2553
such assessed value, the county auditor shall determine the 2554
following amounts: 2555

(1) The amount of the increase in assessed value that is 2556
attributable to the base real property; 2557

(2) The amount determined under division (C) (1) of this 2558
section multiplied by the percentage of improvements in the 2559
~~incentive~~ district to be exempted from taxation under section 2560
5709.40, 5709.45, or 5709.73 of the Revised Code, as applicable; 2561

(3) The product of the amount calculated under division 2562
(C) (2) of this section multiplied by the rate of the taxes 2563
levied by the county within the ten-mill limitation the proceeds 2564
of which are deposited in the county general fund; 2565

(4) The product of the amount calculated under division 2566
(C) (3) of this section multiplied by one-half. 2567

(D) For any tax year that the owner of a parcel of real 2568
property referred to in division (B) of this section is required 2569
to make service payments in lieu of taxes under section 5709.42, 2570
5709.46, or 5709.74 of the Revised Code, a portion of the total 2571
amount of payments made for the year equal to the amount 2572
calculated under division (C) (4) of this section shall be 2573
distributed to the county treasury to the credit of the county 2574
general fund in lieu of distribution to the municipal public 2575
improvement tax increment equivalent fund, municipal downtown 2576
redevelopment district fund, or the township public improvement 2577
tax increment equivalent fund, as applicable. If the service 2578

payments for the year are paid in two installments, the required 2579
distribution to the county treasury also shall be made in two 2580
installments. 2581

(E) (1) Division (D) of this section does not apply if the 2582
municipal corporation or township enters into an agreement with 2583
the county that provides that such division does not apply. The 2584
agreement may provide for payments to the county by the 2585
municipal corporation or township. 2586

(2) Upon entering into an agreement under division (E) (1) 2587
of this section, the municipal corporation or township shall 2588
provide written notice of it to the county auditor of the county 2589
that is a party to the agreement and the tax commissioner. 2590

(F) With respect to a parcel of real property to which 2591
this section applies, the tax commissioner shall notify the 2592
county auditor of the county in which the parcel is located when 2593
a municipal corporation or township has applied for an exemption 2594
from taxation on behalf of the property owner and the exemption 2595
has been granted under section 5715.27 of the Revised Code. 2596

Sec. 5715.27. (A) (1) Except as provided in division (A) (2) 2597
of this section and in section 3735.67 of the Revised Code, the 2598
owner, a vendee in possession under a purchase agreement or a 2599
land contract, the beneficiary of a trust, or a lessee for an 2600
initial term of not less than thirty years of any property may 2601
file an application with the tax commissioner, on forms 2602
prescribed by the commissioner, requesting that such property be 2603
exempted from taxation and that taxes, interest, and penalties 2604
be remitted as provided in division (C) of section 5713.08 of 2605
the Revised Code. 2606

(2) If the property that is the subject of the application 2607

for exemption is any of the following, the application shall be 2608
filed with the county auditor of the county in which the 2609
property is listed for taxation: 2610

(a) A public road or highway; 2611

(b) Property belonging to the federal government of the 2612
United States; 2613

(c) Additions or other improvements to an existing 2614
building or structure that belongs to the state or a political 2615
subdivision, as defined in section 5713.081 of the Revised Code, 2616
and that is exempted from taxation as property used exclusively 2617
for a public purpose; 2618

(d) Property of the boards of trustees and of the housing 2619
commissions of the state universities, the northeastern Ohio 2620
universities college of medicine, and of the state to be 2621
exempted under section 3345.17 of the Revised Code. 2622

(B) The board of education of any school district may 2623
request the tax commissioner or county auditor to provide it 2624
with notification of applications for exemption from taxation 2625
for property located within that district. If so requested, the 2626
commissioner or auditor shall send to the board on a monthly 2627
basis reports that contain sufficient information to enable the 2628
board to identify each property that is the subject of an 2629
exemption application, including, but not limited to, the name 2630
of the property owner or applicant, the address of the property, 2631
and the auditor's parcel number. The commissioner or auditor 2632
shall mail the reports by the fifteenth day of the month 2633
following the end of the month in which the commissioner or 2634
auditor receives the applications for exemption. 2635

(C) A board of education that has requested notification 2636

under division (B) of this section may, with respect to any 2637
application for exemption of property located in the district 2638
and included in the commissioner's or auditor's most recent 2639
report provided under that division, file a statement with the 2640
commissioner or auditor and with the applicant indicating its 2641
intent to submit evidence and participate in any hearing on the 2642
application. The statements shall be filed prior to the first 2643
day of the third month following the end of the month in which 2644
that application was docketed by the commissioner or auditor. A 2645
statement filed in compliance with this division entitles the 2646
district to submit evidence and to participate in any hearing on 2647
the property and makes the district a party for purposes of 2648
sections 5717.02 to 5717.04 of the Revised Code in any appeal of 2649
the commissioner's or auditor's decision to the board of tax 2650
appeals. 2651

(D) The commissioner or auditor shall not hold a hearing 2652
on or grant or deny an application for exemption of property in 2653
a school district whose board of education has requested 2654
notification under division (B) of this section until the end of 2655
the period within which the board may submit a statement with 2656
respect to that application under division (C) of this section. 2657
The commissioner or auditor may act upon an application at any 2658
time prior to that date upon receipt of a written waiver from 2659
each such board of education, or, in the case of exemptions 2660
authorized by section 725.02, 1728.10, 5709.40, 5709.41, 2661
5709.411, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 2662
5709.84, or 5709.88 of the Revised Code, upon the request of the 2663
property owner. Failure of a board of education to receive the 2664
report required in division (B) of this section shall not void 2665
an action of the commissioner or auditor with respect to any 2666
application. The commissioner or auditor may extend the time for 2667

filing a statement under division (C) of this section. 2668

(E) A complaint may also be filed with the commissioner or 2669
auditor by any person, board, or officer authorized by section 2670
5715.19 of the Revised Code to file complaints with the county 2671
board of revision against the continued exemption of any 2672
property granted exemption by the commissioner or auditor under 2673
this section. 2674

(F) An application for exemption and a complaint against 2675
exemption shall be filed prior to the thirty-first day of 2676
December of the tax year for which exemption is requested or for 2677
which the liability of the property to taxation in that year is 2678
requested. The commissioner or auditor shall consider such 2679
application or complaint in accordance with procedures 2680
established by the commissioner, determine whether the property 2681
is subject to taxation or exempt therefrom, and, if the 2682
commissioner makes the determination, certify the determination 2683
to the auditor. Upon making the determination or receiving the 2684
commissioner's determination, the auditor shall correct the tax 2685
list and duplicate accordingly. If a tax certificate has been 2686
sold under section 5721.32 or 5721.33 of the Revised Code with 2687
respect to property for which an exemption has been requested, 2688
the tax commissioner or auditor shall also certify the findings 2689
to the county treasurer of the county in which the property is 2690
located. 2691

(G) Applications and complaints, and documents of any kind 2692
related to applications and complaints, filed with the tax 2693
commissioner or county auditor under this section are public 2694
records within the meaning of section 149.43 of the Revised 2695
Code. 2696

(H) If the commissioner or auditor determines that the use 2697

of property or other facts relevant to the taxability of 2698
property that is the subject of an application for exemption or 2699
a complaint under this section has changed while the application 2700
or complaint was pending, the commissioner or auditor may make 2701
the determination under division (F) of this section separately 2702
for each tax year beginning with the year in which the 2703
application or complaint was filed or the year for which 2704
remission of taxes under division (C) of section 5713.08 of the 2705
Revised Code was requested, and including each subsequent tax 2706
year during which the application or complaint is pending before 2707
the commissioner or auditor. 2708

Section 2. That existing sections 133.04, 133.06, 149.311, 2709
709.024, 709.19, 3317.021, 5501.311, 5709.12, 5709.82, 5709.83, 2710
5709.831, 5709.832, 5709.85, 5709.91, 5709.911, 5709.913, and 2711
5715.27 of the Revised Code are hereby repealed. 2712

Section 3. The General Assembly, applying the principle 2713
stated in division (B) of section 1.52 of the Revised Code that 2714
amendments are to be harmonized if reasonably capable of 2715
simultaneous operation, finds that the following sections, 2716
presented in this act as composites of the sections as amended 2717
by the acts indicated, are the resulting versions of the 2718
sections in effect prior to the effective date of the sections 2719
as presented in this act: 2720

Section 149.311 of the Revised Code as amended by both Am. 2721
Sub. H.B. 483 and Am. Sub. H.B. 486 of the 130th General 2722
Assembly. 2723

Section 5709.12 of the Revised Code as amended by both Am. 2724
Sub. H.B. 483 and Sub. S.B. 172 of the 130th General Assembly. 2725