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Representative Schuring

Cosponsors: Representatives Ashford, Baker, Blessing, Boyd, Fedor, Hackett, Hambley, Kraus, Lepore-Hagan, Patmon, Reineke, Scherer, Sears, Sheehy, Green, McColley, Brown, Smith, R., Amstutz, Anielski, Antonio, Arndt, Bocchieri, Boose, Boyce, Buchy, Burkley, Celebrezze, Cera, Clyde, Conditt, Craig, Cupp, Derickson, Dever, Dovilla, Driehaus, Duffey, Ginter, Grossman, Hagan, Hall, Hayes, Henne, Hill, Howse, Huffman, Johnson, G., Kuhns, Leland, Maag, Manning, O'Brien, M., O'Brien, S., Patterson, Pelanda, Ramos, Reece, Retherford, Rezabek, Rogers, Romanchuk, Ruhl, Ryan, Schaffer, Slaby, Slesnick, Smith, K., Stinziano, Strahorn, Sweeney, Sykes, Terhar, Young, Zeltwanger, Speaker Rosenberger

Senator Tavares

A BILL

To amend sections 133.04, 133.06, 149.311, 709.024,	1
709.19, 3317.021, 4582.56, 5501.311, 5709.12,	2
5709.121, 5709.82, 5709.83, 5709.831, 5709.832,	3
5709.85, 5709.91, 5709.911, 5709.913, and	4
5715.27 and to enact sections 1710.14, 1724.12,	5
5709.45, 5709.46, and 5709.47 of the Revised	6
Code to authorize municipal corporations to	7
create downtown redevelopment districts and	8
innovation districts for the purposes of	9
promoting the rehabilitation of historic	10
buildings, creating jobs, encouraging economic	11
development in commercial and mixed-use areas,	12
and supporting grants and loans to technology-	13
oriented and other businesses, to specifically	14
extend the charitable use property tax exemption	15
to certain museum property conveyed to take	16

advantage of a historic rehabilitation tax 17
credit and to certain property leased for a 18
lengthy term by the state or a political 19
subdivision or charitable institution, and to 20
authorize collections of a special lodging tax 21
that may be levied by certain counties to be 22
used to not only construct, but to acquire or 23
equip, a port authority facility. 24

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

Section 1. That sections 133.04, 133.06, 149.311, 709.024, 25
709.19, 3317.021, 4582.56, 5501.311, 5709.12, 5709.121, 5709.82, 26
5709.83, 5709.831, 5709.832, 5709.85, 5709.91, 5709.911, 27
5709.913, and 5715.27 be amended and sections 1710.14, 1724.12, 28
5709.45, 5709.46, and 5709.47 of the Revised Code be enacted to 29
read as follows: 30

Sec. 133.04. (A) As used in this chapter, "net 31
indebtedness" means, as determined pursuant to this section, the 32
principal amount of the outstanding securities of a subdivision 33
less the amount held in a bond retirement fund to the extent 34
such amount is not taken into account in determining the 35
principal amount outstanding under division (AA) of section 36
133.01 of the Revised Code. For purposes of this definition, the 37
principal amount of outstanding securities includes the 38
principal amount of outstanding securities of another 39
subdivision apportioned to the subdivision as a result of 40
acquisition of territory, and excludes the principal amount of 41
outstanding securities of the subdivision apportioned to another 42
subdivision as a result of loss of territory and the payment or 43

reimbursement obligations of the subdivision under credit 44
enhancement facilities relating to outstanding securities. 45

(B) In calculating the net indebtedness of a subdivision, 46
none of the following securities, including anticipatory 47
securities issued in anticipation of their issuance, shall be 48
considered: 49

(1) Securities issued in anticipation of the levy or 50
collection of special assessments, either in original or 51
refunded form; 52

(2) Securities issued in anticipation of the collection of 53
current revenues for the fiscal year or other period not to 54
exceed twelve consecutive months, or securities issued in 55
anticipation of the collection of the proceeds from a 56
specifically identified voter-approved tax levy; 57

(3) Securities issued for purposes described in section 58
133.12 of the Revised Code; 59

(4) Securities issued under Chapter 122., 140., 165., 60
725., or 761. or section 131.23 of the Revised Code; 61

(5) Securities issued to pay final judgments or court- 62
approved settlements under authorizing laws and securities 63
issued under section 2744.081 of the Revised Code; 64

(6) Securities issued to pay costs of permanent 65
improvements to the extent they are issued in anticipation of 66
the receipt of, and are payable as to principal from, federal or 67
state grants or distributions for, or legally available for, 68
that principal or for the costs of those permanent improvements; 69

(7) Securities issued to evidence loans from the state 70
capital improvements fund pursuant to Chapter 164. of the 71

Revised Code or from the state infrastructure bank pursuant to 72
section 5531.09 of the Revised Code; 73

(8) That percentage of the principal amount of general 74
obligation securities issued by a county, township, or municipal 75
corporation to pay the costs of permanent improvements equal to 76
the percentage of the debt charges on those securities payable 77
during the current fiscal year that the fiscal officer estimates 78
can be paid during the current fiscal year from payments in lieu 79
of taxes under section 1728.11, 1728.111, 5709.42, 5709.46, 80
5709.74, or 5709.79 of the Revised Code, and that the 81
legislation authorizing the issuance of the securities pledges 82
or covenants will be used for the payment of those debt charges; 83
provided that the amount excluded from consideration under 84
division (B) (8) of this section shall not exceed the lesser of 85
thirty million dollars or one-half per cent of the subdivision's 86
tax valuation in the case of a county or township, or one and 87
one-tenth per cent of the subdivision's tax valuation in the 88
case of a municipal corporation; 89

(9) Securities issued in an amount equal to the property 90
tax replacement payments received under section 5727.85 or 91
5727.86 of the Revised Code; 92

(10) Securities issued in an amount equal to the property 93
tax replacement payments received under section 5751.21 or 94
5751.22 of the Revised Code; 95

(11) Other securities, including self-supporting 96
securities, excepted by law from the calculation of net 97
indebtedness or from the application of this chapter; 98

(12) Securities issued under section 133.083 of the 99
Revised Code for the purpose of acquiring, constructing, 100

improving, or equipping any permanent improvement to the extent 101
that the legislation authorizing the issuance pledges tourism 102
development district revenue to the payment of debt charges on 103
the securities and contains a covenant to appropriate from 104
tourism development district revenue a sufficient amount to 105
cover debt charges or the financing costs related to the 106
securities as they become due; 107

(13) Any other securities outstanding on October 30, 1989, 108
and then excepted from the calculation of net indebtedness or 109
from the application of this chapter, and securities issued at 110
any time to fund or refund those securities. 111

Sec. 133.06. (A) A school district shall not incur, 112
without a vote of the electors, net indebtedness that exceeds an 113
amount equal to one-tenth of one per cent of its tax valuation, 114
except as provided in divisions (G) and (H) of this section and 115
in division (D) of section 3313.372 of the Revised Code, or as 116
prescribed in section 3318.052 or 3318.44 of the Revised Code, 117
or as provided in division (J) of this section. 118

(B) Except as provided in divisions (E), (F), and (I) of 119
this section, a school district shall not incur net indebtedness 120
that exceeds an amount equal to nine per cent of its tax 121
valuation. 122

(C) A school district shall not submit to a vote of the 123
electors the question of the issuance of securities in an amount 124
that will make the district's net indebtedness after the 125
issuance of the securities exceed an amount equal to four per 126
cent of its tax valuation, unless the superintendent of public 127
instruction, acting under policies adopted by the state board of 128
education, and the tax commissioner, acting under written 129
policies of the commissioner, consent to the submission. A 130

request for the consents shall be made at least one hundred 131
twenty days prior to the election at which the question is to be 132
submitted. 133

The superintendent of public instruction shall certify to 134
the district the superintendent's and the tax commissioner's 135
decisions within thirty days after receipt of the request for 136
consents. 137

If the electors do not approve the issuance of securities 138
at the election for which the superintendent of public 139
instruction and tax commissioner consented to the submission of 140
the question, the school district may submit the same question 141
to the electors on the date that the next special election may 142
be held under section 3501.01 of the Revised Code without 143
submitting a new request for consent. If the school district 144
seeks to submit the same question at any other subsequent 145
election, the district shall first submit a new request for 146
consent in accordance with this division. 147

(D) In calculating the net indebtedness of a school 148
district, none of the following shall be considered: 149

(1) Securities issued to acquire school buses and other 150
equipment used in transporting pupils or issued pursuant to 151
division (D) of section 133.10 of the Revised Code; 152

(2) Securities issued under division (F) of this section, 153
under section 133.301 of the Revised Code, and, to the extent in 154
excess of the limitation stated in division (B) of this section, 155
under division (E) of this section; 156

(3) Indebtedness resulting from the dissolution of a joint 157
vocational school district under section 3311.217 of the Revised 158
Code, evidenced by outstanding securities of that joint 159

vocational school district;	160
(4) Loans, evidenced by any securities, received under	161
sections 3313.483, 3317.0210, and 3317.0211 of the Revised Code;	162
(5) Debt incurred under section 3313.374 of the Revised	163
Code;	164
(6) Debt incurred pursuant to division (B) (5) of section	165
3313.37 of the Revised Code to acquire computers and related	166
hardware;	167
(7) Debt incurred under section 3318.042 of the Revised	168
Code.	169
(E) A school district may become a special needs district	170
as to certain securities as provided in division (E) of this	171
section.	172
(1) A board of education, by resolution, may declare its	173
school district to be a special needs district by determining	174
both of the following:	175
(a) The student population is not being adequately	176
serviced by the existing permanent improvements of the district.	177
(b) The district cannot obtain sufficient funds by the	178
issuance of securities within the limitation of division (B) of	179
this section to provide additional or improved needed permanent	180
improvements in time to meet the needs.	181
(2) The board of education shall certify a copy of that	182
resolution to the superintendent of public instruction with a	183
statistical report showing all of the following:	184
(a) The history of and a projection of the growth of the	185
tax valuation;	186

(b) The projected needs;	187
(c) The estimated cost of permanent improvements proposed to meet such projected needs.	188 189
(3) The superintendent of public instruction shall certify the district as an approved special needs district if the superintendent finds both of the following:	190 191 192
(a) The district does not have available sufficient additional funds from state or federal sources to meet the projected needs.	193 194 195
(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 and one-half per cent per year. The findings and certification of the superintendent shall be conclusive.	196 197 198 199 200 201 202 203
(4) An approved special needs district may incur net indebtedness by the issuance of securities in accordance with the provisions of this chapter in an amount that does not exceed an amount equal to the greater of the following:	204 205 206 207
(a) Twelve per cent of the sum of its tax valuation plus an amount that is the product of multiplying that tax valuation by the percentage by which the tax valuation has increased over the tax valuation on the first day of the sixtieth month preceding the month in which its board determines to submit to the electors the question of issuing the proposed securities;	208 209 210 211 212 213
(b) Twelve per cent of the sum of its tax valuation plus an amount that is the product of multiplying that tax valuation	214 215

by the percentage, determined by the superintendent of public instruction, by which that tax valuation is projected to increase during the next ten years.

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

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

(a) School buildings or other necessary school facilities in the district have been wholly or partially destroyed, or condemned by a constituted public authority, or that such buildings or facilities are partially constructed, or so constructed or planned as to require additions and improvements to them before the buildings or facilities are usable for their intended purpose, or that corrections to permanent improvements are necessary to remove or prevent health or safety hazards.

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

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

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

(a) The form of the ballot shall describe the emergency

existing, refer to this division as the authority under which 245
the emergency is declared, and state that the amount of the 246
proposed securities exceeds the limitations prescribed by 247
division (B) of this section; 248

(b) The resolution required by division (B) of section 249
133.18 of the Revised Code shall be certified to the county 250
auditor and the board of elections at least one hundred days 251
prior to the election; 252

(c) The county auditor shall advise and, not later than 253
ninety-five days before the election, confirm that advice by 254
certification to, the board of education of the information 255
required by division (C) of section 133.18 of the Revised Code; 256

(d) The board of education shall then certify its 257
resolution and the information required by division (D) of 258
section 133.18 of the Revised Code to the board of elections not 259
less than ninety days prior to the election. 260

(4) Notwithstanding division (B) of section 133.21 of the 261
Revised Code, the first principal payment of securities issued 262
under this division may be set at any date not later than sixty 263
months after the earliest possible principal payment otherwise 264
provided for in that division. 265

(G) (1) The board of education may contract with an 266
architect, professional engineer, or other person experienced in 267
the design and implementation of energy conservation measures 268
for an analysis and recommendations pertaining to installations, 269
modifications of installations, or remodeling that would 270
significantly reduce energy consumption in buildings owned by 271
the district. The report shall include estimates of all costs of 272
such installations, modifications, or remodeling, including 273

costs of design, engineering, installation, maintenance, 274
repairs, measurement and verification of energy savings, and 275
debt service, forgone residual value of materials or equipment 276
replaced by the energy conservation measure, as defined by the 277
Ohio school facilities commission, a baseline analysis of actual 278
energy consumption data for the preceding three years with the 279
utility baseline based on only the actual energy consumption 280
data for the preceding twelve months, and estimates of the 281
amounts by which energy consumption and resultant operational 282
and maintenance costs, as defined by the commission, would be 283
reduced. 284

If the board finds after receiving the report that the 285
amount of money the district would spend on such installations, 286
modifications, or remodeling is not likely to exceed the amount 287
of money it would save in energy and resultant operational and 288
maintenance costs over the ensuing fifteen years, the board may 289
submit to the commission a copy of its findings and a request 290
for approval to incur indebtedness to finance the making or 291
modification of installations or the remodeling of buildings for 292
the purpose of significantly reducing energy consumption. 293

The school facilities commission, in consultation with the 294
auditor of state, may deny a request under this division by the 295
board of education of any school district that is in a state of 296
fiscal watch pursuant to division (A) of section 3316.03 of the 297
Revised Code, if it determines that the expenditure of funds is 298
not in the best interest of the school district. 299

No district board of education of a school district that 300
is in a state of fiscal emergency pursuant to division (B) of 301
section 3316.03 of the Revised Code shall submit a request 302
without submitting evidence that the installations, 303

modifications, or remodeling have been approved by the 304
district's financial planning and supervision commission 305
established under section 3316.05 of the Revised Code. 306

No board of education of a school district that, for three 307
or more consecutive years, has been declared to be in a state of 308
academic emergency under section 3302.03 of the Revised Code, as 309
that section existed prior to March 22, 2013, and has failed to 310
meet adequate yearly progress, or has met any condition set 311
forth in division (A) of section 3302.10 of the Revised Code 312
shall submit a request without first receiving approval to incur 313
indebtedness from the district's academic distress commission 314
established under that section, for so long as such commission 315
continues to be required for the district. 316

(2) The school facilities commission shall approve the 317
board's request provided that the following conditions are 318
satisfied: 319

(a) The commission determines that the board's findings 320
are reasonable. 321

(b) The request for approval is complete. 322

(c) The installations, modifications, or remodeling are 323
consistent with any project to construct or acquire classroom 324
facilities, or to reconstruct or make additions to existing 325
classroom facilities under sections 3318.01 to 3318.20 or 326
sections 3318.40 to 3318.45 of the Revised Code. 327

Upon receipt of the commission's approval, the district 328
may issue securities without a vote of the electors in a 329
principal amount not to exceed nine-tenths of one per cent of 330
its tax valuation for the purpose of making such installations, 331
modifications, or remodeling, but the total net indebtedness of 332

the district without a vote of the electors incurred under this 333
and all other sections of the Revised Code, except section 334
3318.052 of the Revised Code, shall not exceed one per cent of 335
the district's tax valuation. 336

(3) So long as any securities issued under this division 337
remain outstanding, the board of education shall monitor the 338
energy consumption and resultant operational and maintenance 339
costs of buildings in which installations or modifications have 340
been made or remodeling has been done pursuant to this division. 341
Except as provided in division (G) (4) of this section, the board 342
shall maintain and annually update a report in a form and manner 343
prescribed by the school facilities commission documenting the 344
reductions in energy consumption and resultant operational and 345
maintenance cost savings attributable to such installations, 346
modifications, or remodeling. The resultant operational and 347
maintenance cost savings shall be certified by the school 348
district treasurer. The report shall be submitted annually to 349
the commission. 350

(4) If the school facilities commission verifies that the 351
certified annual reports submitted to the commission by a board 352
of education under division (G) (3) of this section fulfill the 353
guarantee required under division (B) of section 3313.372 of the 354
Revised Code for three consecutive years, the board of education 355
shall no longer be subject to the annual reporting requirements 356
of division (G) (3) of this section. 357

(H) With the consent of the superintendent of public 358
instruction, a school district may incur without a vote of the 359
electors net indebtedness that exceeds the amounts stated in 360
divisions (A) and (G) of this section for the purpose of paying 361
costs of permanent improvements, if and to the extent that both 362

of the following conditions are satisfied: 363

(1) The fiscal officer of the school district estimates 364
that receipts of the school district from payments made under or 365
pursuant to agreements entered into pursuant to section 725.02, 366
1728.10, 3735.671, 5709.081, 5709.082, 5709.40, 5709.41, 367
5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, or 368
5709.82 of the Revised Code, or distributions under division (C) 369
of section 5709.43 or division (B) of section 5709.47 of the 370
Revised Code, or any combination thereof, are, after accounting 371
for any appropriate coverage requirements, sufficient in time 372
and amount, and are committed by the proceedings, to pay the 373
debt charges on the securities issued to evidence that 374
indebtedness and payable from those receipts, and the taxing 375
authority of the district confirms the fiscal officer's 376
estimate, which confirmation is approved by the superintendent 377
of public instruction; 378

(2) The fiscal officer of the school district certifies, 379
and the taxing authority of the district confirms, that the 380
district, at the time of the certification and confirmation, 381
reasonably expects to have sufficient revenue available for the 382
purpose of operating such permanent improvements for their 383
intended purpose upon acquisition or completion thereof, and the 384
superintendent of public instruction approves the taxing 385
authority's confirmation. 386

The maximum maturity of securities issued under division 387
(H) of this section shall be the lesser of twenty years or the 388
maximum maturity calculated under section 133.20 of the Revised 389
Code. 390

(I) A school district may incur net indebtedness by the 391
issuance of securities in accordance with the provisions of this 392

chapter in excess of the limit specified in division (B) or (C) 393
of this section when necessary to raise the school district 394
portion of the basic project cost and any additional funds 395
necessary to participate in a project under Chapter 3318. of the 396
Revised Code, including the cost of items designated by the 397
school facilities commission as required locally funded 398
initiatives, the cost of other locally funded initiatives in an 399
amount that does not exceed fifty per cent of the district's 400
portion of the basic project cost, and the cost for site 401
acquisition. The commission shall notify the superintendent of 402
public instruction whenever a school district will exceed either 403
limit pursuant to this division. 404

(J) A school district whose portion of the basic project 405
cost of its classroom facilities project under sections 3318.01 406
to 3318.20 of the Revised Code is greater than or equal to one 407
hundred million dollars may incur without a vote of the electors 408
net indebtedness in an amount up to two per cent of its tax 409
valuation through the issuance of general obligation securities 410
in order to generate all or part of the amount of its portion of 411
the basic project cost if the controlling board has approved the 412
school facilities commission's conditional approval of the 413
project under section 3318.04 of the Revised Code. The school 414
district board and the Ohio school facilities commission shall 415
include the dedication of the proceeds of such securities in the 416
agreement entered into under section 3318.08 of the Revised 417
Code. No state moneys shall be released for a project to which 418
this section applies until the proceeds of any bonds issued 419
under this section that are dedicated for the payment of the 420
school district portion of the project are first deposited into 421
the school district's project construction fund. 422

Sec. 149.311. (A) As used in this section: 423

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

(2) "Qualified rehabilitation expenditures" means expenditures paid or incurred during the rehabilitation period, and before and after that period as determined under 26 U.S.C. 47, by an owner or qualified lessee of an historic building to rehabilitate the building. "Qualified rehabilitation expenditures" includes architectural or engineering fees paid or incurred in connection with the rehabilitation, and expenses incurred in the preparation of nomination forms for listing on the national register of historic places. "Qualified rehabilitation expenditures" does not include any of the following:

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

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

(c) New building construction costs.

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

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

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

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

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

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

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

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

(9) "State historic preservation officer" or "officer" 482
means the state historic preservation officer appointed by the 483
governor under 16 U.S.C. 470a. 484

(10) "Catalytic project" means the rehabilitation of an 485
historic building, the rehabilitation of which will foster 486
economic development within two thousand five hundred feet of 487
the historic building. 488

(B) The owner or qualified lessee of an historic building 489
may apply to the director of development services for a 490
rehabilitation tax credit certificate for qualified 491
rehabilitation expenditures paid or incurred by such owner or 492
qualified lessee after April 4, 2007, for rehabilitation of an 493
historic building. If the owner of an historic building enters a 494
pass-through agreement with a qualified lessee for the purposes 495
of the federal rehabilitation tax credit under 26 U.S.C. 47, the 496
qualified rehabilitation expenditures paid or incurred by the 497
owner after April 4, 2007, may be attributed to the qualified 498
lessee. 499

The form and manner of filing such applications shall be 500
prescribed by rule of the director. Each application shall state 501
the amount of qualified rehabilitation expenditures the 502
applicant estimates will be paid or incurred. The director may 503
require applicants to furnish documentation of such estimates. 504

The director, after consultation with the tax commissioner 505
and in accordance with Chapter 119. of the Revised Code, shall 506
adopt rules that establish all of the following: 507

(1) Forms and procedures by which applicants may apply for 508
rehabilitation tax credit certificates; 509

(2) Criteria for reviewing, evaluating, and approving 510

applications for certificates within the limitations under	511
division (D) of this section, criteria for assuring that the	512
certificates issued encompass a mixture of high and low	513
qualified rehabilitation expenditures, and criteria for issuing	514
certificates under division (C) (3) (b) of this section;	515
(3) Eligibility requirements for obtaining a certificate	516
under this section;	517
(4) The form of rehabilitation tax credit certificates;	518
(5) Reporting requirements and monitoring procedures;	519
(6) Procedures and criteria for conducting cost-benefit	520
analyses of historic buildings that are the subjects of	521
applications filed under this section. The purpose of a cost-	522
benefit analysis shall be to determine whether rehabilitation of	523
the historic building will result in a net revenue gain in state	524
and local taxes once the building is used.	525
(7) Any other rules necessary to implement and administer	526
this section.	527
(C) The director of development services shall review the	528
applications with the assistance of the state historic	529
preservation officer and determine whether all of the following	530
criteria are met:	531
(1) That the building that is the subject of the	532
application is an historic building and the applicant is the	533
owner or qualified lessee of the building;	534
(2) That the rehabilitation will satisfy standards	535
prescribed by the United States secretary of the interior under	536
16 U.S.C. 470, et seq., as amended, and 36 C.F.R. 67.7 or a	537
successor to that section;	538

(3) That receiving a rehabilitation tax credit certificate 539
under this section is a major factor in: 540

(a) The applicant's decision to rehabilitate the historic 541
building; or 542

(b) To increase the level of investment in such 543
rehabilitation. 544

An applicant shall demonstrate to the satisfaction of the 545
state historic preservation officer and director of development 546
services that the rehabilitation will satisfy the standards 547
described in division (C) (2) of this section before the 548
applicant begins the physical rehabilitation of the historic 549
building. 550

(D) (1) If the director of development services determines 551
that an application meets the criteria in divisions (C) (1), (2), 552
and (3) of this section, the director shall conduct a cost- 553
benefit analysis for the historic building that is the subject 554
of the application to determine whether rehabilitation of the 555
historic building will result in a net revenue gain in state and 556
local taxes once the building is used. The director shall 557
consider the results of the cost-benefit analysis in determining 558
whether to approve the application. The director shall also 559
consider the potential economic impact and the regional 560
distributive balance of the credits throughout the state. The 561
director may approve an application only after completion of the 562
cost-benefit analysis. 563

(2) A rehabilitation tax credit certificate shall not be 564
issued for an amount greater than the estimated amount furnished 565
by the applicant on the application for such certificate and 566
approved by the director. The director shall not approve more 567

than a total of sixty million dollars of rehabilitation tax 568
credits per fiscal year but the director may reallocate unused 569
tax credits from a prior fiscal year for new applicants and such 570
reallocated credits shall not apply toward the dollar limit of 571
this division. 572

(3) For rehabilitations with a rehabilitation period not 573
exceeding twenty-four months as provided in division (A) (8) (a) 574
of this section, a rehabilitation tax credit certificate shall 575
not be issued before the rehabilitation of the historic building 576
is completed. 577

(4) For rehabilitations with a rehabilitation period not 578
exceeding sixty months as provided in division (A) (8) (b) of this 579
section, a rehabilitation tax credit certificate shall not be 580
issued before a stage of rehabilitation is completed. After all 581
stages of rehabilitation are completed, if the director cannot 582
determine that the criteria in division (C) of this section are 583
satisfied for all stages of rehabilitations, the director shall 584
certify this finding to the tax commissioner, and any 585
rehabilitation tax credits received by the applicant shall be 586
repaid by the applicant and may be collected by assessment as 587
unpaid tax by the commissioner. 588

(5) The director of development services shall require the 589
applicant to provide a third-party cost certification by a 590
certified public accountant of the actual costs attributed to 591
the rehabilitation of the historic building when qualified 592
rehabilitation expenditures exceed two hundred thousand dollars. 593

If an applicant whose application is approved for receipt 594
of a rehabilitation tax credit certificate fails to provide to 595
the director sufficient evidence of reviewable progress, 596
including a viable financial plan, copies of final construction 597

drawings, and evidence that the applicant has obtained all 598
historic approvals within twelve months after the date the 599
applicant received notification of approval, and if the 600
applicant fails to provide evidence to the director that the 601
applicant has secured and closed on financing for the 602
rehabilitation within eighteen months after receiving 603
notification of approval, the director may rescind the approval 604
of the application. The director shall notify the applicant if 605
the approval has been rescinded. Credits that would have been 606
available to an applicant whose approval was rescinded shall be 607
available for other qualified applicants. Nothing in this 608
division prohibits an applicant whose approval has been 609
rescinded from submitting a new application for a rehabilitation 610
tax credit certificate. 611

(6) The director of development services may approve the 612
application of, and issue a rehabilitation tax credit 613
certificate to, the owner of a catalytic project, provided the 614
application otherwise meets the criteria described in divisions 615
(C) and (D) of this section. The director may not issue more 616
than one rehabilitation tax credit certificate under division 617
(D) (6) of this section during each state fiscal biennium. The 618
director shall consider the following criteria in determining 619
whether to issue a certificate under division (D) (6) of this 620
section: 621

(a) Whether the historic building is a catalytic project; 622

(b) The effect issuance of the certificate would have on 623
the availability of credits for other applicants that qualify 624
for a credit certificate within the credit dollar limit 625
described in division (D) (2) of this section; 626

(c) The number of jobs, if any, the catalytic project will 627

create. 628

(7) (a) The owner or qualified lessee of a historic 629
building may apply for a rehabilitation tax credit certificate 630
under both divisions (B) and (D) (6) of this section. In such a 631
case, the director of development services shall consider each 632
application at the time the application is submitted. 633

(b) The director of development services shall not issue 634
more than one certificate under this section with respect to the 635
same qualified rehabilitation expenditures. 636

(E) Issuance of a certificate represents a finding by the 637
director of development services of the matters described in 638
divisions (C) (1), (2), and (3) of this section only; issuance of 639
a certificate does not represent a verification or certification 640
by the director of the amount of qualified rehabilitation 641
expenditures for which a tax credit may be claimed under section 642
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, or 5747.76 of the 643
Revised Code. The amount of qualified rehabilitation 644
expenditures for which a tax credit may be claimed is subject to 645
inspection and examination by the tax commissioner or employees 646
of the commissioner under section 5703.19 of the Revised Code 647
and any other applicable law. Upon the issuance of a 648
certificate, the director shall certify to the tax commissioner, 649
in the form and manner requested by the tax commissioner, the 650
name of the applicant, the amount of qualified rehabilitation 651
expenditures shown on the certificate, and any other information 652
required by the rules adopted under this section. 653

(F) (1) On or before the first day of August each year, the 654
director of development services and tax commissioner jointly 655
shall submit to the president of the senate and the speaker of 656
the house of representatives a report on the tax credit program 657

established under this section and sections 5725.151, 5725.34, 658
5726.52, 5729.17, 5733.47, and 5747.76 of the Revised Code. The 659
report shall present an overview of the program and shall 660
include information on the number of rehabilitation tax credit 661
certificates issued under this section during the preceding 662
fiscal year, an update on the status of each historic building 663
for which an application was approved under this section, the 664
dollar amount of the tax credits granted under sections 665
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, and 5747.76 of the 666
Revised Code, and any other information the director and 667
commissioner consider relevant to the topics addressed in the 668
report. 669

(2) On or before December 1, 2015, the director of 670
development services and tax commissioner jointly shall submit 671
to the president of the senate and the speaker of the house of 672
representatives a comprehensive report that includes the 673
information required by division (F) (1) of this section and a 674
detailed analysis of the effectiveness of issuing tax credits 675
for rehabilitating historic buildings. The report shall be 676
prepared with the assistance of an economic research 677
organization jointly chosen by the director and commissioner. 678

(G) There is hereby created in the state treasury the 679
historic rehabilitation tax credit operating fund. The director 680
of development services is authorized to charge reasonable 681
application and other fees in connection with the administration 682
of tax credits authorized by this section and sections 5725.151, 683
5725.34, 5726.52, 5729.17, 5733.47, and 5747.76 of the Revised 684
Code. Any such fees collected shall be credited to the fund and 685
used to pay reasonable costs incurred by the department of 686
development services in administering this section and sections 687
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, and 5747.76 of the 688

Revised Code. 689

The Ohio historic preservation office is authorized to 690
charge reasonable fees in connection with its review and 691
approval of applications under this section. Any such fees 692
collected shall be credited to the fund and used to pay 693
administrative costs incurred by the Ohio historic preservation 694
office pursuant to this section. 695

(H) Notwithstanding sections 5725.151, 5725.34, 5726.52, 696
5729.17, 5733.47, and 5747.76 of the Revised Code, the 697
certificate owner of a tax credit certificate issued under 698
division (D)(6) of this section may claim a tax credit equal to 699
twenty-five per cent of the dollar amount indicated on the 700
certificate for a total credit of not more than twenty-five 701
million dollars. The credit claimed by such a certificate owner 702
for any calendar year, tax year, or taxable year under section 703
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, or 5747.76 of the 704
Revised Code shall not exceed five million dollars. If the 705
certificate owner is eligible for more than five million dollars 706
in total credits, the certificate owner may carry forward the 707
balance of the credit in excess of the amount claimed for that 708
year for not more than five ensuing calendar years, tax years, 709
or taxable years. If the credit claimed in any calendar year, 710
tax year, or taxable year exceeds the tax otherwise due, the 711
excess shall be refunded to the taxpayer. 712

(I) The director of development services, in consultation 713
with the director of budget and management, shall develop and 714
adopt a system of tracking any information necessary to 715
anticipate the impact of credits issued under this section on 716
tax revenues for current and future fiscal years. Such 717
information may include the number of applications approved, the 718

estimated rehabilitation expenditures and rehabilitation period 719
associated with such applications, the number and amount of tax 720
credit certificates issued, and any other information the 721
director of budget and management requires for the purposes of 722
this division. 723

Sec. 709.024. (A) A petition filed under section 709.021 724
of the Revised Code that requests to follow this section is for 725
the special procedure of annexing land into a municipal 726
corporation for the purpose of undertaking a significant 727
economic development project. As used in this section, 728
"significant economic development project" means one or more 729
economic development projects that can be classified as 730
industrial, distribution, high technology, research and 731
development, or commercial, which projects may include ancillary 732
residential and retail uses and which projects shall satisfy all 733
of the following: 734

(1) Total private real and personal property investment in 735
a project shall be in excess of ten million dollars through land 736
and infrastructure, new construction, reconstruction, 737
installation of fixtures and equipment, or the addition of 738
inventory, excluding investment solely related to the ancillary 739
residential and retail elements, if any, of the project. As used 740
in this division, "private real and personal property 741
investment" does not include payments in lieu of taxes, however 742
characterized, under Chapter 725. or 1728. or sections 5709.40 743
to 5709.43, 5709.45 to 5709.47, 5709.73 to 5709.75, or 5709.78 744
to 5709.81 of the Revised Code. 745

(2) There shall be created by the project an additional 746
annual payroll in excess of one million dollars, excluding 747
payroll arising solely out of the retail elements, if any, of 748

the project. 749

(3) The project has been certified by the state director 750
of development as meeting the requirements of divisions (A) (1) 751
and (2) of this section. 752

(B) Upon the filing of the petition under section 709.021 753
of the Revised Code in the office of the clerk of the board of 754
county commissioners, the clerk shall cause the petition to be 755
entered upon the journal of the board at its next regular 756
session. This entry shall be the first official act of the board 757
on the petition. Within five days after the filing of the 758
petition, the agent for the petitioners shall notify in the 759
manner and form specified in this division the clerk of the 760
legislative authority of the municipal corporation to which 761
annexation is proposed, the fiscal officer of each township any 762
portion of which is included within the territory proposed for 763
annexation, the clerk of the board of county commissioners of 764
each county in which the territory proposed for annexation is 765
located other than the county in which the petition is filed, 766
and the owners of property adjacent to the territory proposed 767
for annexation or adjacent to a road that is adjacent to that 768
territory and located directly across that road from that 769
territory. The notice shall refer to the time and date when the 770
petition was filed and the county in which it was filed and 771
shall have attached or shall be accompanied by a copy of the 772
petition and any attachments or documents accompanying the 773
petition as filed. 774

Notice to a property owner is sufficient if sent by 775
regular United States mail to the tax mailing address listed on 776
the county auditor's records. Notice to the appropriate 777
government officer shall be given by certified mail, return 778

receipt requested, or by causing the notice to be personally 779
served on the officer, with proof of service by affidavit of the 780
person who delivered the notice. Proof of service of the notice 781
on each appropriate government officer shall be filed with the 782
board of county commissioners with which the petition was filed. 783

(C) (1) Within thirty days after the petition is filed, the 784
legislative authority of the municipal corporation to which 785
annexation is proposed and each township any portion of which is 786
included within the territory proposed for annexation may adopt 787
and file with the board of county commissioners an ordinance or 788
resolution consenting or objecting to the proposed annexation. 789
An objection to the proposed annexation shall be based solely 790
upon the petition's failure to meet the conditions specified in 791
division (F) of this section. Failure of the municipal 792
corporation or any of those townships to timely file an 793
ordinance or resolution consenting or objecting to the proposed 794
annexation shall be deemed to constitute consent by that 795
municipal corporation or township to the proposed annexation. 796

(2) Within twenty days after receiving the notice required 797
by division (B) of this section, the legislative authority of 798
the municipal corporation shall adopt, by ordinance or 799
resolution, a statement indicating what services the municipal 800
corporation will provide or cause to be provided, and an 801
approximate date by which it will provide or cause them to be 802
provided, to the territory proposed for annexation, upon 803
annexation. If a hearing is to be conducted under division (E) 804
of this section, the legislative authority shall file the 805
statement with the clerk of the board of county commissioners at 806
least twenty days before the date of the hearing. 807

(D) If all parties to the annexation proceedings consent 808

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

(E) Unless the petition is granted under division (D) of this section, a hearing shall be held on the petition. The board of county commissioners shall hear the petition at its next regular session and shall notify the agent for the petitioners of the hearing's date, time, and place. The agent for the petitioners shall give, within five days after receipt of the notice of the hearing from the board, to the parties and property owners entitled to notice under division (B) of this section, notice of the date, time, and place of the hearing. Notice to a property owner is sufficient if sent by regular United States mail to the tax mailing address listed on the county auditor's records. At the hearing, the parties and any owner of real estate within the territory proposed to be annexed are entitled to appear for the purposes described in division (C) of section 709.032 of the Revised Code.

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

The board shall enter a resolution granting the annexation

if it finds, based upon a preponderance of the substantial, 839
reliable, and probative evidence on the whole record, that each 840
of the following conditions has been met: 841

(1) The petition meets all the requirements set forth in, 842
and was filed in the manner provided in, section 709.021 of the 843
Revised Code. 844

(2) The persons who signed the petition are owners of real 845
estate located in the territory proposed to be annexed in the 846
petition and constitute all of the owners of real estate in that 847
territory. 848

(3) No street or highway will be divided or segmented by 849
the boundary line between a township and the municipal 850
corporation as to create a road maintenance problem, or if the 851
street or highway will be so divided or segmented, the municipal 852
corporation has agreed, as a condition of the annexation, that 853
it will assume the maintenance of that street or highway. For 854
the purposes of this division, "street" or "highway" has the 855
same meaning as in section 4511.01 of the Revised Code. 856

(4) The municipal corporation to which the territory is 857
proposed to be annexed has adopted an ordinance or resolution as 858
required by division (C) (2) of this section. 859

(5) The state director of development has certified that 860
the project meets the requirements of divisions (A) (1) and (2) 861
of this section and thereby qualifies as a significant economic 862
development project. The director's certification is binding on 863
the board of county commissioners. 864

(G) An owner who signed the petition may appeal a decision 865
of the board of county commissioners denying the proposed 866
annexation under section 709.07 of the Revised Code. No other 867

person has standing to appeal the board's decision in law or in 868
equity. If the board grants the annexation, there shall be no 869
appeal in law or in equity. 870

(H) Notwithstanding anything to the contrary in section 871
503.07 of the Revised Code, unless otherwise provided in an 872
annexation agreement entered into pursuant to section 709.192 of 873
the Revised Code or in a cooperative economic development 874
agreement entered into pursuant to section 701.07 of the Revised 875
Code, territory annexed into a municipal corporation pursuant to 876
this section shall not at any time be excluded from the township 877
under section 503.07 of the Revised Code and, thus, remains 878
subject to the township's real property taxes. 879

(I) A municipal corporation to which annexation is 880
proposed is entitled in its sole discretion to provide to the 881
territory proposed for annexation, upon annexation, services in 882
addition to the services described in the ordinance or 883
resolution adopted by the legislative authority of the municipal 884
corporation under division (C) (2) of this section. 885

Sec. 709.19. (A) As used in this section: 886

(1) "International airport" means any airport that is: 887

(a) Designated as an international airport or a landing 888
rights airport by the United States secretary of the treasury; 889

(b) Owned and operated by a municipal corporation; 890

(c) An unincorporated area not contiguous to the municipal 891
corporation that owns it. 892

(2) "Commercial," "industrial," "residential," and 893
"retail," in relation to property, mean property classified as 894
such by the tax commissioner for the purposes of valuing 895

property for taxation, except that "commercial," in relation to 896
property, does not include any property classified as "retail." 897

(B) If unincorporated territory is annexed to a municipal 898
corporation and excluded from a township under section 503.07 of 899
the Revised Code, upon exclusion of that territory, the 900
municipal corporation that annexed the territory shall make 901
payments to the township from which the territory was annexed 902
only as provided in this section, except that, if the 903
legislative authority of the municipal corporation enters into 904
an agreement under section 701.07, 709.191, or 709.192 of the 905
Revised Code with the township from which the territory was 906
annexed that makes alternate provisions regarding payments by 907
the municipal corporation, then the payment provisions in that 908
agreement shall apply in lieu of the provisions of this section. 909

(C) (1) Except as provided in division (C) (2) of this 910
section, the municipal corporation that annexed the territory 911
shall make the following payments to the township from which the 912
territory was annexed with respect to commercial and industrial 913
real, personal, and public utility property taxes using the 914
property valuation for the year that the payment is due: 915

(a) In the first through third years following the 916
annexation and exclusion of the territory from the township, 917
eighty per cent of the township taxes in the annexed territory 918
that would have been due the township for commercial and 919
industrial real, personal, and public utility property taxes if 920
no annexation had occurred; 921

(b) In the fourth and fifth years following the annexation 922
and the exclusion of the territory from the township, sixty- 923
seven and one-half per cent of the township taxes in the annexed 924
territory that would have been due the township for commercial 925

and industrial real, personal, and public utility property taxes	926
if no annexation had occurred;	927
(c) In the sixth and seventh years following the	928
annexation and exclusion of the territory from the township,	929
sixty-two and one-half per cent of the township taxes in the	930
annexed territory that would have been due the township for	931
commercial and industrial real, personal, and public utility	932
property taxes if no annexation had occurred;	933
(d) In the eighth and ninth years following the annexation	934
and exclusion of the territory from the township, fifty-seven	935
and one-half per cent of the township taxes in the annexed	936
territory that would have been due the township for commercial	937
and industrial real, personal, and public utility property taxes	938
if no annexation had occurred;	939
(e) In the tenth through twelfth years following the	940
annexation and exclusion of the territory from the township,	941
forty-two and one-half per cent of the township taxes in the	942
annexed territory that would have been due the township for	943
commercial and industrial real, personal, and public utility	944
property taxes if no annexation had occurred.	945
(2) If there has been an exemption by the municipal	946
corporation of commercial and industrial real, personal, or	947
public utility property taxes pursuant to section 725.02,	948
1728.10, 3735.67, 5709.40, 5709.41, <u>5709.45</u> , 5709.62, or 5709.88	949
of the Revised Code, there shall be no reduction in the payments	950
owed to the township due to that exemption. The municipal	951
corporation shall make payments to the township under division	952
(C)(1) of this section, calculated as if the exemption had not	953
occurred.	954

(D) The municipal corporation that annexed the territory 955
shall make the following payments to the township from which the 956
territory was annexed with respect to residential and retail 957
real property taxes using the property valuation for the year 958
that the payment is due: 959

(1) In the first through third years following the 960
annexation and exclusion of the territory from the township, 961
eighty per cent of the township taxes in the annexed territory 962
that would have been due the township for residential and retail 963
real property taxes if no annexation had occurred; 964

(2) In the fourth and fifth years following the annexation 965
and exclusion of the territory from the township, fifty-two and 966
one-half per cent of the township taxes in the annexed territory 967
that would have been due the township for residential and retail 968
real property taxes if no annexation had occurred; 969

(3) In the sixth through tenth years following the 970
annexation and exclusion of the territory from the township, 971
forty per cent of the township taxes in the annexed territory 972
that would have been due the township for residential and retail 973
real property taxes if no annexation had occurred; 974

(4) In the eleventh and twelfth years following the 975
annexation and exclusion of the territory from the township, 976
twenty-seven and one-half per cent of the township taxes in the 977
annexed territory that would have been due the township for 978
residential and retail real property taxes if no annexation had 979
occurred. 980

(E) If, pursuant to division (F) of this section, a 981
municipal corporation annexes an international airport that it 982
owns, the municipal corporation shall pay the township one 983

hundred per cent of the township taxes in the annexed territory 984
that would have been due the township if no annexation had 985
occurred for each of the twenty-five years following the 986
annexation. 987

(F) (1) Notwithstanding any other provision of this 988
chapter, a board of county commissioners may authorize a 989
municipal corporation to annex an international airport that the 990
municipal corporation owns. Unless a contract is entered into 991
pursuant to division (F) (2) of this section, any municipal 992
corporation that annexes an international airport under this 993
division shall make payments to the township from which the 994
international airport is annexed, in the manner provided in 995
division (E) of this section. No territory annexed pursuant to 996
this division shall be considered part of the municipal 997
corporation for the purposes of subsequent annexation, except 998
that the board of county commissioners may authorize subsequent 999
annexation under this division if the board determines that 1000
subsequent annexation is necessary to the continued operation of 1001
the international airport. 1002

(2) The chief executive of a municipal corporation that 1003
annexes territory pursuant to this division may enter into a 1004
contract with the board of township trustees of the township 1005
that loses the territory whereby the township agrees to provide 1006
the annexed territory with police, fire, or other services it is 1007
authorized to provide in exchange for specified consideration as 1008
agreed upon by the board of township trustees and the chief 1009
executive. In no instance shall the consideration received by 1010
the township be less than the payments that would be required 1011
under division (F) (1) of this section if no contract were 1012
entered into. 1013

Sec. 1710.14. The board of directors of a special 1014
improvement district in which all or part of a downtown 1015
redevelopment district is located may accept contributions from 1016
the municipal corporation that created the downtown 1017
redevelopment district pursuant to division (E)(2) of section 1018
5709.45 of the Revised Code. The board shall use all such 1019
contributions to promote the downtown redevelopment district to 1020
potential business patrons, to recruit businesses to relocate or 1021
expand to the downtown redevelopment district, and to attract 1022
and promote events and activities that generate revenue or 1023
enhance public welfare within the downtown redevelopment 1024
district. The board shall periodically report to the legislative 1025
authority of the municipal corporation on the expenditure of the 1026
contributions and plans for the utilization of future 1027
contributions. If any contributions received by a special 1028
improvement district under this section remain after the 1029
dissolution or expiration of the downtown redevelopment 1030
district, the board shall pay the remaining amount to the 1031
contributing municipal corporation, which shall credit the money 1032
to its general fund. 1033

Sec. 1724.12. The board of directors of a community 1034
improvement corporation in which all or a part of a downtown 1035
redevelopment district is located may accept contributions from 1036
the municipal corporation that created the district pursuant to 1037
division (E)(2) of section 5709.45 of the Revised Code. The 1038
board shall use all such contributions to promote the downtown 1039
redevelopment district to potential business patrons, to recruit 1040
businesses to relocate or expand to the downtown redevelopment 1041
district, and to attract and promote events and activities that 1042
generate revenue or enhance public welfare within the downtown 1043
redevelopment district. The board shall periodically report to 1044

the legislative authority of the municipal corporation on the 1045
expenditure of the contributions and plans for the utilization 1046
of future contributions. If any contributions received by a 1047
community improvement corporation under this section remain 1048
after the dissolution or expiration of the downtown 1049
redevelopment district, the board shall pay the remaining amount 1050
to the contributing municipal corporation, which shall credit 1051
the money to its general fund. 1052

Sec. 3317.021. (A) On or before the first day of June of 1053
each year, the tax commissioner shall certify to the department 1054
of education and the office of budget and management the 1055
information described in divisions (A) (1) to (5) of this section 1056
for each city, exempted village, and local school district, and 1057
the information required by divisions (A) (1) and (2) of this 1058
section for each joint vocational school district, and it shall 1059
be used, along with the information certified under division (B) 1060
of this section, in making the computations for the district 1061
under this chapter. 1062

(1) The taxable value of real and public utility real 1063
property in the school district subject to taxation in the 1064
preceding tax year, by class and by county of location. 1065

(2) The taxable value of tangible personal property, 1066
including public utility personal property, subject to taxation 1067
by the district for the preceding tax year. 1068

(3) (a) The total property tax rate and total taxes charged 1069
and payable for the current expenses for the preceding tax year 1070
and the total property tax rate and the total taxes charged and 1071
payable to a joint vocational district for the preceding tax 1072
year that are limited to or to the extent apportioned to current 1073
expenses. 1074

(b) The portion of the amount of taxes charged and payable 1075
reported for each city, local, and exempted village school 1076
district under division (A) (3) (a) of this section attributable 1077
to a joint vocational school district. 1078

(4) The value of all real and public utility real property 1079
in the school district exempted from taxation minus both of the 1080
following: 1081

(a) The value of real and public utility real property in 1082
the district owned by the United States government and used 1083
exclusively for a public purpose; 1084

(b) The value of real and public utility real property in 1085
the district exempted from taxation under Chapter 725. or 1728. 1086
or section 3735.67, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 1087
5709.632, 5709.73, or 5709.78 of the Revised Code. 1088

(5) The total federal adjusted gross income of the 1089
residents of the school district, based on tax returns filed by 1090
the residents of the district, for the most recent year for 1091
which this information is available, and the median Ohio 1092
adjusted gross income of the residents of the school district 1093
determined on the basis of tax returns filed for the second 1094
preceding tax year by the residents of the district. 1095

(B) On or before the first day of May each year, the tax 1096
commissioner shall certify to the department of education and 1097
the office of budget and management the total taxable real 1098
property value of railroads and, separately, the total taxable 1099
tangible personal property value of all public utilities for the 1100
preceding tax year, by school district and by county of 1101
location. 1102

(C) If a public utility has properly and timely filed a 1103

petition for reassessment under section 5727.47 of the Revised 1104
Code with respect to an assessment issued under section 5727.23 1105
of the Revised Code affecting taxable property apportioned by 1106
the tax commissioner to a school district, the taxable value of 1107
public utility tangible personal property included in the 1108
certification under divisions (A) (2) and (B) of this section for 1109
the school district shall include only the amount of taxable 1110
value on the basis of which the public utility paid tax for the 1111
preceding year as provided in division (B) (1) or (2) of section 1112
5727.47 of the Revised Code. 1113

(D) If on the basis of the information certified under 1114
division (A) of this section, the department determines that any 1115
district fails in any year to meet the qualification requirement 1116
specified in division (A) of section 3317.01 of the Revised 1117
Code, the department shall immediately request the tax 1118
commissioner to determine the extent to which any school 1119
district income tax levied by the district under Chapter 5748. 1120
of the Revised Code shall be included in meeting that 1121
requirement. Within five days of receiving such a request from 1122
the department, the tax commissioner shall make the 1123
determination required by this division and report the quotient 1124
obtained under division (D) (3) of this section to the department 1125
and the office of budget and management. This quotient 1126
represents the number of mills that the department shall include 1127
in determining whether the district meets the qualification 1128
requirement of division (A) of section 3317.01 of the Revised 1129
Code. 1130

The tax commissioner shall make the determination required 1131
by this division as follows: 1132

(1) Multiply one mill times the total taxable value of the 1133

district as determined in divisions (A) (1) and (2) of this 1134
section; 1135

(2) Estimate the total amount of tax liability for the 1136
current tax year under taxes levied by Chapter 5748. of the 1137
Revised Code that are apportioned to current operating expenses 1138
of the district, excluding any income tax receipts allocated for 1139
the project cost, debt service, or maintenance set-aside 1140
associated with a state-assisted classroom facilities project as 1141
authorized by section 3318.052 of the Revised Code; 1142

(3) Divide the amount estimated under division (D) (2) of 1143
this section by the product obtained under division (D) (1) of 1144
this section. 1145

Sec. 4582.56. (A) As used in this section: 1146

(1) "Eligible county" means a county whose territory 1147
includes a part of Lake Erie the shoreline of which represents 1148
at least fifty per cent of the linear length of the county's 1149
border with other counties of this state. 1150

(2) "Lakeshore improvement project" means construction of 1151
a port authority facility within one mile of the Lake Erie 1152
shoreline in an eligible county. 1153

(3) "Construction" includes acquisition, alteration, 1154
construction, creation, development, enlargement, equipment, 1155
improvement, installation, reconstruction, remodeling, 1156
renovation, or any combination thereof. 1157

(B) The board of directors of a port authority may enter 1158
into an agreement with the board of county commissioners of an 1159
eligible county that created the port authority providing for 1160
all of the following, and any other terms mutually agreeable to 1161
the boards: 1162

(1) The board of county commissioners levies an excise tax 1163
under division (M) of section 5739.09 of the Revised Code and 1164
pledges all the revenue from the tax to the port authority for 1165
the purpose of financing lakeshore improvement projects 1166
including the payment of debt charges on any securities issued 1167
under division (C) of this section. 1168

(2) The port authority constructs or finances the 1169
construction of lakeshore improvements and pays the costs of 1170
such projects with revenue from the tax pledged under the 1171
agreement. Such construction or financing is an authorized 1172
purpose for the purposes of division (B) of section 4582.21 of 1173
~~this section~~ the Revised Code. 1174

(3) The port authority may not enter into any contract or 1175
other obligation regarding a lakeshore improvement project 1176
before obtaining the approval for the project by the board of 1177
county commissioners by a resolution of the board. 1178

(C) The board of directors of a port authority that enters 1179
into an agreement under this section may issue port authority 1180
special obligation bonds, and notes anticipating the proceeds of 1181
the bonds, in the principal amount that, in the opinion of the 1182
board, are necessary for the purpose of paying the costs of one 1183
or more lakeshore improvement projects or parts of one or more 1184
projects and interest on the bonds payable over the term of the 1185
issue. The board may refund any special obligation bonds by the 1186
issuance of special obligation refunding bonds regardless of 1187
whether the bonds to be refunded have or have not matured. The 1188
refunding bonds shall be sold, and the proceeds needed for such 1189
purpose applied, in the manner provided in the bond proceedings. 1190

Every issue of special obligation bonds issued under this 1191
section shall be payable from the revenue from the tax levied 1192

under division (M) of section 5739.09 of the Revised Code and 1193
pledged for such payment under the agreement. The pledge shall 1194
be valid and binding from the time the pledge is made, and the 1195
revenue so pledged and received by the port authority shall be 1196
subject to the lien of the pledge without any physical delivery 1197
of the revenue or any further act. The lien of any pledge is 1198
valid and binding as against all parties having claims of any 1199
kind in tort, contract, or otherwise against the port authority, 1200
whether or not such parties have notice of the lien. Neither the 1201
resolution nor any trust agreement by which a pledge is created 1202
need be filed or recorded except in the port authority's 1203
records. 1204

Whether or not the bonds are of such form and character as 1205
to be negotiable instruments under Title XIII of the Revised 1206
Code, the bonds shall have all the qualities and incidents of 1207
negotiable instruments, subject only to their provisions for 1208
registration, if any. 1209

Bonds issued under this section shall bear such date or 1210
dates, and shall mature at such time or times not exceeding 1211
thirty years from the date of issue of the original bonds and 1212
shall be executed in the manner that the resolution authorizing 1213
the bonds may provide. The bonds shall bear interest at such 1214
rates, or at variable rate or rates changing from time to time, 1215
in accordance with provisions provided in the authorizing 1216
resolution, shall be in such denominations and form, either 1217
coupon or registered, shall carry such registration privileges, 1218
shall be payable in such medium of payment and at such place or 1219
places, and be subject to such terms of redemption, as the board 1220
of directors of the port authority may authorize or provide. The 1221
bonds may be sold at public or private sale, and at, or at not 1222
less than, the price or prices as the board determines. If any 1223

officer whose signature or a facsimile of whose signature 1224
appears on any bonds or coupons ceases to be such officer before 1225
delivery of the bonds, the signature or facsimile shall 1226
nevertheless be sufficient for all purposes as if the officer 1227
had remained in office until delivery of the bonds, and in case 1228
the seal of the authority has been changed after a facsimile has 1229
been imprinted on the bonds, the facsimile seal will continue to 1230
be sufficient for all purposes. 1231

Any resolution authorizing bonds under this section may 1232
contain provisions governing the use and disposition of revenue 1233
pledged under the agreement under division (B) of this section; 1234
the crediting of the proceeds of the sale of the bonds to and 1235
among the funds referred to or provided for in the resolution; 1236
limitations on the purpose to which the proceeds of sale of the 1237
bonds may be applied and the pledging of portions of such 1238
proceeds to secure payment of the bonds; the issuance of notes 1239
in anticipation of the issuance of bonds; the terms upon which 1240
additional bonds may be issued and secured; the refunding of 1241
outstanding bonds; the procedure, if any, by which the terms of 1242
any contract with bondholders may be amended, the amount of 1243
bonds the holders of which must consent thereto, and the manner 1244
in which such consent may be given; securing any bonds by a 1245
trust agreement in accordance with division (D) of this section; 1246
and any other matters that may affect the security or protection 1247
of the bonds. The taxes anticipated by the bonds are not subject 1248
to diminution by initiative or referendum or by law while the 1249
bonds or notes remain outstanding in accordance with their 1250
terms, unless provision is made by law or by the board of county 1251
commissioners and board of directors of the port authority for 1252
an adequate substitute therefor reasonably satisfactory to the 1253
trustee, if a trust agreement secures the bonds. 1254

Neither the members of the board of directors of the port 1255
authority nor any person executing the bonds shall be liable 1256
personally on the bonds or be subject to any personal liability 1257
or accountability by reason of the issuance. 1258

(D) In the discretion of the board of directors, the bonds 1259
issued under this section may be secured by a trust agreement 1260
between the board of directors on behalf of the port authority 1261
and a corporate trustee, which may be any trust company or bank 1262
having powers of a trust company, within or outside the state. 1263

The trust agreement may provide for the pledge or 1264
assignment of the tax revenue to be received under the agreement 1265
entered into under division (B) of this section, but shall not 1266
pledge the general credit or other taxing power of the county or 1267
the general credit or taxing power of the port authority. The 1268
trust agreement or the resolution providing for the issuance of 1269
the bonds may set forth the rights and remedies of the 1270
bondholders and trustee, and may contain other provisions for 1271
protecting and enforcing their rights and remedies that are 1272
determined in the discretion of the board of directors to be 1273
reasonable and proper. 1274

Sec. 5501.311. (A) Notwithstanding sections 123.01 and 1275
127.16 of the Revised Code the director of transportation may 1276
lease or lease-purchase all or any part of a transportation 1277
facility to or from one or more persons, one or more 1278
governmental agencies, a transportation improvement district, or 1279
any combination thereof, and may grant leases, easements, or 1280
licenses for lands under the control of the department of 1281
transportation. The director may adopt rules necessary to give 1282
effect to this section. 1283

(B) Plans and specifications for the construction of a 1284

transportation facility under a lease or lease-purchase 1285
agreement are subject to approval of the director and must meet 1286
or exceed all applicable standards of the department. 1287

(C) Any lease or lease-purchase agreement under which the 1288
department is the lessee shall be for a period not exceeding the 1289
then current two-year period for which appropriations have been 1290
made by the general assembly to the department, and such 1291
agreement may contain such other terms as the department and the 1292
other parties thereto agree, notwithstanding any other provision 1293
of law, including provisions that rental payments in amounts 1294
sufficient to pay bond service charges payable during the 1295
current two-year lease term shall be an absolute and 1296
unconditional obligation of the department independent of all 1297
other duties under the agreement without set-off or deduction or 1298
any other similar rights or defenses. Any such agreement may 1299
provide for renewal of the agreement at the end of each term for 1300
another term, not exceeding two years, provided that no renewal 1301
shall be effective until the effective date of an appropriation 1302
enacted by the general assembly from which the department may 1303
lawfully pay rentals under such agreement. Any such agreement 1304
may include, without limitation, any agreement by the department 1305
with respect to any costs of transportation facilities to be 1306
included prior to acquisition and construction of such 1307
transportation facilities. Any such agreement shall not 1308
constitute a debt or pledge of the faith and credit of the 1309
state, or of any political subdivision of the state, and the 1310
lessor shall have no right to have taxes or excises levied by 1311
the general assembly, or the taxing authority of any political 1312
subdivision of the state, for the payment of rentals thereunder. 1313
Any such agreement shall contain a statement to that effect. 1314

(D) A municipal corporation, township, or county may use 1315

service payments in lieu of taxes credited to special funds or 1316
accounts pursuant to sections 5709.43, 5709.47, 5709.75, and 1317
5709.80 of the Revised Code to provide its contribution to the 1318
cost of a transportation facility, provided such facility was 1319
among the purposes for which such service payments were 1320
authorized. The contribution may be in the form of a lump sum or 1321
periodic payments. 1322

(E) Pursuant to the "Telecommunications Act of 1996," 110 1323
Stat. 152, 47 U.S.C. 332 note, the director may grant a lease, 1324
easement, or license in a transportation facility to a 1325
telecommunications service provider for construction, placement, 1326
or operation of a telecommunications facility. An interest 1327
granted under this division is subject to all of the following 1328
conditions: 1329

(1) The transportation facility is owned in fee simple or 1330
easement by this state at the time the lease, easement, or 1331
license is granted to the telecommunications provider. 1332

(2) The lease, easement, or license shall be granted on a 1333
competitive basis in accordance with policies and procedures to 1334
be determined by the director. The policies and procedures may 1335
include provisions for master leases for multiple sites. 1336

(3) The telecommunications facility shall be designed to 1337
accommodate the state's multi-agency radio communication system, 1338
the intelligent transportation system, and the department's 1339
communication system as the director may determine is necessary 1340
for highway or other departmental purposes. 1341

(4) The telecommunications facility shall be designed to 1342
accommodate such additional telecommunications equipment as may 1343
feasibly be co-located thereon as determined in the discretion 1344

of the director. 1345

(5) The telecommunications service providers awarded the 1346
lease, easement, or license, agree to permit other 1347
telecommunications service providers to co-locate on the 1348
telecommunications facility, and agree to the terms and 1349
conditions of the co-location as determined in the discretion of 1350
the director. 1351

(6) The director shall require indemnity agreements in 1352
favor of the department as a condition of any lease, easement, 1353
or license granted under this division. Each indemnity agreement 1354
shall secure this state and its agents from liability for 1355
damages arising out of safety hazards, zoning, and any other 1356
matter of public interest the director considers necessary. 1357

(7) The telecommunications service provider fully complies 1358
with any permit issued under section 5515.01 of the Revised Code 1359
pertaining to land that is the subject of the lease, easement, 1360
or license. 1361

(8) All plans and specifications shall meet with the 1362
director's approval. 1363

(9) Any other conditions the director determines 1364
necessary. 1365

(F) In accordance with section 5501.031 of the Revised 1366
Code, to further efforts to promote energy conservation and 1367
energy efficiency, the director may grant a lease, easement, or 1368
license in a transportation facility to a utility service 1369
provider that has received its certificate from the Ohio power 1370
siting board or appropriate local entity for construction, 1371
placement, or operation of an alternative energy generating 1372
facility service provider as defined in section 4928.64 of the 1373

Revised Code. An interest granted under this division is subject 1374
to all of the following conditions: 1375

(1) The transportation facility is owned in fee simple or 1376
in easement by this state at the time the lease, easement, or 1377
license is granted to the utility service provider. 1378

(2) The lease, easement, or license shall be granted on a 1379
competitive basis in accordance with policies and procedures to 1380
be determined by the director. The policies and procedures may 1381
include provisions for master leases for multiple sites. 1382

(3) The alternative energy generating facility shall be 1383
designed to provide energy for the department's transportation 1384
facilities with the potential for selling excess power on the 1385
power grid, as the director may determine is necessary for 1386
highway or other departmental purposes. 1387

(4) The director shall require indemnity agreements in 1388
favor of the department as a condition of any lease, easement, 1389
or license granted under this division. Each indemnity agreement 1390
shall secure this state from liability for damages arising out 1391
of safety hazards, zoning, and any other matter of public 1392
interest the director considers necessary. 1393

(5) The alternative energy service provider fully complies 1394
with any permit issued by the Ohio power siting board under 1395
Chapter 4906. of the Revised Code and complies with section 1396
5515.01 of the Revised Code pertaining to land that is the 1397
subject of the lease, easement, or license. 1398

(6) All plans and specifications shall meet with the 1399
director's approval. 1400

(7) Any other conditions the director determines 1401
necessary. 1402

(G) Money the department receives under this section shall 1403
be deposited into the state treasury to the credit of the 1404
highway operating fund. 1405

(H) A lease, easement, or license granted under division 1406
(E) or (F) of this section, and any telecommunications facility 1407
or alternative energy generating facility relating to such 1408
interest in a transportation facility, is hereby deemed to 1409
further the essential highway purpose of building and 1410
maintaining a safe, energy-efficient, and accessible 1411
transportation system. 1412

Sec. 5709.12. (A) As used in this section, "independent 1413
living facilities" means any residential housing facilities and 1414
related property that are not a nursing home, residential care 1415
facility, or residential facility as defined in division (A) of 1416
section 5701.13 of the Revised Code. 1417

(B) Lands, houses, and other buildings belonging to a 1418
county, township, or municipal corporation and used exclusively 1419
for the accommodation or support of the poor, or leased to the 1420
state or any political subdivision for public purposes shall be 1421
exempt from taxation. Real and tangible personal property 1422
belonging to institutions that is used exclusively for 1423
charitable purposes shall be exempt from taxation, including 1424
real property belonging to an institution that is a nonprofit 1425
corporation that receives a grant under the Thomas Alva Edison 1426
grant program authorized by division (C) of section 122.33 of 1427
the Revised Code at any time during the tax year and being held 1428
for leasing or resale to others. If, at any time during a tax 1429
year for which such property is exempted from taxation, the 1430
corporation ceases to qualify for such a grant, the director of 1431
development shall notify the tax commissioner, and the tax 1432

commissioner shall cause the property to be restored to the tax 1433
list beginning with the following tax year. All property owned 1434
and used by a nonprofit organization exclusively for a home for 1435
the aged, as defined in section 5701.13 of the Revised Code, 1436
also shall be exempt from taxation. 1437

(C) (1) If a home for the aged described in division (B) (1) 1438
of section 5701.13 of the Revised Code is operated in 1439
conjunction with or at the same site as independent living 1440
facilities, the exemption granted in division (B) of this 1441
section shall include kitchen, dining room, clinic, entry ways, 1442
maintenance and storage areas, and land necessary for access 1443
commonly used by both residents of the home for the aged and 1444
residents of the independent living facilities. Other facilities 1445
commonly used by both residents of the home for the aged and 1446
residents of independent living units shall be exempt from 1447
taxation only if the other facilities are used primarily by the 1448
residents of the home for the aged. Vacant land currently unused 1449
by the home, and independent living facilities and the lands 1450
connected with them are not exempt from taxation. Except as 1451
provided in division (A) (1) of section 5709.121 of the Revised 1452
Code, property of a home leased for nonresidential purposes is 1453
not exempt from taxation. 1454

(2) Independent living facilities are exempt from taxation 1455
if they are operated in conjunction with or at the same site as 1456
a home for the aged described in division (B) (2) of section 1457
5701.13 of the Revised Code; operated by a corporation, 1458
association, or trust described in division (B) (1) (b) of that 1459
section; operated exclusively for the benefit of members of the 1460
corporation, association, or trust who are retired, aged, or 1461
infirm; and provided to those members without charge in 1462
consideration of their service, without compensation, to a 1463

charitable, religious, fraternal, or educational institution. 1464
For the purposes of division (C) (2) of this section, 1465
"compensation" does not include furnishing room and board, 1466
clothing, health care, or other necessities, or stipends or 1467
other de minimis payments to defray the cost thereof. 1468

(D) (1) A private corporation established under federal 1469
law, as defined in 36 U.S.C. 1101, Pub. L. No. 102-199, 105 1470
Stat. 1629, as amended, the objects of which include encouraging 1471
the advancement of science generally, or of a particular branch 1472
of science, the promotion of scientific research, the 1473
improvement of the qualifications and usefulness of scientists, 1474
or the increase and diffusion of scientific knowledge is 1475
conclusively presumed to be a charitable or educational 1476
institution. A private corporation established as a nonprofit 1477
corporation under the laws of a state that is exempt from 1478
federal income taxation under section 501(c) (3) of the Internal 1479
Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C.A. 1, as amended, 1480
and that has as its principal purpose one or more of the 1481
foregoing objects also is conclusively presumed to be a 1482
charitable or educational institution. 1483

The fact that an organization described in this division 1484
operates in a manner that results in an excess of revenues over 1485
expenses shall not be used to deny the exemption granted by this 1486
section, provided such excess is used, or is held for use, for 1487
exempt purposes or to establish a reserve against future 1488
contingencies; and, provided further, that such excess may not 1489
be distributed to individual persons or to entities that would 1490
not be entitled to the tax exemptions provided by this chapter. 1491
Nor shall the fact that any scientific information diffused by 1492
the organization is of particular interest or benefit to any of 1493
its individual members be used to deny the exemption granted by 1494

this section, provided that such scientific information is 1495
available to the public for purchase or otherwise. 1496

(2) Division (D) (2) of this section does not apply to real 1497
property exempted from taxation under this section and division 1498
(A) (3) of section 5709.121 of the Revised Code and belonging to 1499
a nonprofit corporation described in division (D) (1) of this 1500
section that has received a grant under the Thomas Alva Edison 1501
grant program authorized by division (C) of section 122.33 of 1502
the Revised Code during any of the tax years the property was 1503
exempted from taxation. 1504

When a private corporation described in division (D) (1) of 1505
this section sells all or any portion of a tract, lot, or parcel 1506
of real estate that has been exempt from taxation under this 1507
section and section 5709.121 of the Revised Code, the portion 1508
sold shall be restored to the tax list for the year following 1509
the year of the sale and, except in connection with a sale and 1510
transfer of such a tract, lot, or parcel to a county land 1511
reutilization corporation organized under Chapter 1724. of the 1512
Revised Code, a charge shall be levied against the sold property 1513
in an amount equal to the tax savings on such property during 1514
the four tax years preceding the year the property is placed on 1515
the tax list. The tax savings equals the amount of the 1516
additional taxes that would have been levied if such property 1517
had not been exempt from taxation. 1518

The charge constitutes a lien of the state upon such 1519
property as of the first day of January of the tax year in which 1520
the charge is levied and continues until discharged as provided 1521
by law. The charge may also be remitted for all or any portion 1522
of such property that the tax commissioner determines is 1523
entitled to exemption from real property taxation for the year 1524

such property is restored to the tax list under any provision of 1525
the Revised Code, other than sections 725.02, 1728.10, 3735.67, 1526
5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.71, 5709.73, 1527
5709.78, and 5709.84, upon an application for exemption covering 1528
the year such property is restored to the tax list filed under 1529
section 5715.27 of the Revised Code. 1530

(E) Real property held by an organization organized and 1531
operated exclusively for charitable purposes as described under 1532
section 501(c)(3) of the Internal Revenue Code and exempt from 1533
federal taxation under section 501(a) of the Internal Revenue 1534
Code, 26 U.S.C.A. 501(a) and (c)(3), as amended, for the purpose 1535
of constructing or rehabilitating residences for eventual 1536
transfer to qualified low-income families through sale, lease, 1537
or land installment contract, shall be exempt from taxation. 1538

The exemption shall commence on the day title to the 1539
property is transferred to the organization and shall continue 1540
to the end of the tax year in which the organization transfers 1541
title to the property to a qualified low-income family. In no 1542
case shall the exemption extend beyond the second succeeding tax 1543
year following the year in which the title was transferred to 1544
the organization. If the title is transferred to the 1545
organization and from the organization to a qualified low-income 1546
family in the same tax year, the exemption shall continue to the 1547
end of that tax year. The proportionate amount of taxes that are 1548
a lien but not yet determined, assessed, and levied for the tax 1549
year in which title is transferred to the organization shall be 1550
remitted by the county auditor for each day of the year that 1551
title is held by the organization. 1552

Upon transferring the title to another person, the 1553
organization shall file with the county auditor an affidavit 1554

affirming that the title was transferred to a qualified low- 1555
income family or that the title was not transferred to a 1556
qualified low-income family, as the case may be; if the title 1557
was transferred to a qualified low-income family, the affidavit 1558
shall identify the transferee by name. If the organization 1559
transfers title to the property to anyone other than a qualified 1560
low-income family, the exemption, if it has not previously 1561
expired, shall terminate, and the property shall be restored to 1562
the tax list for the year following the year of the transfer and 1563
a charge shall be levied against the property in an amount equal 1564
to the amount of additional taxes that would have been levied if 1565
such property had not been exempt from taxation. The charge 1566
constitutes a lien of the state upon such property as of the 1567
first day of January of the tax year in which the charge is 1568
levied and continues until discharged as provided by law. 1569

The application for exemption shall be filed as otherwise 1570
required under section 5715.27 of the Revised Code, except that 1571
the organization holding the property shall file with its 1572
application documentation substantiating its status as an 1573
organization organized and operated exclusively for charitable 1574
purposes under section 501(c)(3) of the Internal Revenue Code 1575
and its qualification for exemption from federal taxation under 1576
section 501(a) of the Internal Revenue Code, and affirming its 1577
intention to construct or rehabilitate the property for the 1578
eventual transfer to qualified low-income families. 1579

As used in this division, "qualified low-income family" 1580
means a family whose income does not exceed two hundred per cent 1581
of the official federal poverty guidelines as revised annually 1582
in accordance with section 673(2) of the "Omnibus Budget 1583
Reconciliation Act of 1981," 95 Stat. 511, 42 U.S.C.A. 9902, as 1584
amended, for a family size equal to the size of the family whose 1585

income is being determined. 1586

(F) (1) (a) Real property held by a county land 1587
reutilization corporation organized under Chapter 1724. of the 1588
Revised Code shall be exempt from taxation. Notwithstanding 1589
section 5715.27 of the Revised Code, a county land reutilization 1590
corporation is not required to apply to any county or state 1591
agency in order to qualify for the exemption. 1592

(b) Real property acquired or held by an electing 1593
subdivision other than a county land reutilization corporation 1594
on or after April 9, 2009, for the purpose of implementing an 1595
effective land reutilization program or for a related public 1596
purpose shall be exempt from taxation until sold or transferred 1597
by the electing subdivision. Notwithstanding section 5715.27 of 1598
the Revised Code, an electing subdivision is not required to 1599
apply to any county or state agency in order to qualify for an 1600
exemption with respect to property acquired or held for such 1601
purposes on or after such date, regardless of how the electing 1602
subdivision acquires the property. 1603

As used in this section, "electing subdivision" and "land 1604
reutilization program" have the same meanings as in section 1605
5722.01 of the Revised Code, and "county land reutilization 1606
corporation" means a county land reutilization corporation 1607
organized under Chapter 1724. of the Revised Code and any 1608
subsidiary wholly owned by such a county land reutilization 1609
corporation that is identified as "a wholly owned subsidiary of 1610
a county land reutilization corporation" in the deed of 1611
conveyance transferring title to the subsidiary. 1612

(2) An exemption authorized under division (F) (1) of this 1613
section shall commence on the day title to the property is 1614
transferred to the corporation or electing subdivision and shall 1615

continue to the end of the tax year in which the instrument 1616
transferring title from the corporation or subdivision to 1617
another owner is recorded, if the use to which the other owner 1618
puts the property does not qualify for an exemption under this 1619
section or any other section of the Revised Code. If the title 1620
to the property is transferred to the corporation and from the 1621
corporation, or to the subdivision and from the subdivision, in 1622
the same tax year, the exemption shall continue to the end of 1623
that tax year. The proportionate amount of taxes that are a lien 1624
but not yet determined, assessed, and levied for the tax year in 1625
which title is transferred to the corporation or subdivision 1626
shall be remitted by the county auditor for each day of the year 1627
that title is held by the corporation or subdivision. 1628

Upon transferring the title to another person, the 1629
corporation or electing subdivision shall file with the county 1630
auditor an affidavit or conveyance form affirming that the title 1631
was transferred to such other person and shall identify the 1632
transferee by name. If the corporation or subdivision transfers 1633
title to the property to anyone that does not qualify or the use 1634
to which the property is put does not qualify the property for 1635
an exemption under this section or any other section of the 1636
Revised Code, the exemption, if it has not previously expired, 1637
shall terminate, and the property shall be restored to the tax 1638
list for the year following the year of the transfer. A charge 1639
shall be levied against the property in an amount equal to the 1640
amount of additional taxes that would have been levied if such 1641
property had not been exempt from taxation. The charge 1642
constitutes a lien of the state upon such property as of the 1643
first day of January of the tax year in which the charge is 1644
levied and continues until discharged as provided by law. 1645

In lieu of the application for exemption otherwise 1646

required to be filed as required under section 5715.27 of the Revised Code, a county land reutilization corporation holding the property shall, upon the request of any county or state agency, submit its articles of incorporation substantiating its status as a county land reutilization corporation.

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

Sec. 5709.121. (A) Real property and tangible personal property belonging to a charitable or educational institution or to the state or a political subdivision, shall be considered as used exclusively for charitable or public purposes by such institution, the state, or political subdivision, if it meets one of the following requirements:

(1) It is used by such institution, the state, or political subdivision, or by one or more other such institutions, the state, or political subdivisions under a lease, sublease, or other contractual arrangement:

(a) As a community or area center in which presentations in music, dramatics, the arts, and related fields are made in order to foster public interest and education therein;

(b) As a children's, science, history, or natural history museum that is open to the general public;

(c) For other charitable, educational, or public purposes.

(2) It is made available under the direction or control of

such institution, the state, or political subdivision for use in 1676
furtherance of or incidental to its charitable, educational, or 1677
public purposes and not with the view to profit. 1678

(3) It is used by an organization described in division 1679
(D) of section 5709.12 of the Revised Code. If the organization 1680
is a corporation that receives a grant under the Thomas Alva 1681
Edison grant program authorized by division (C) of section 1682
122.33 of the Revised Code at any time during the tax year, 1683
"used," for the purposes of this division, includes holding 1684
property for lease or resale to others. 1685

(B) (1) Property described in division (A) (1) (a) or (b) of 1686
this section shall continue to be considered as used exclusively 1687
for charitable or public purposes even if the property or an 1688
interest therein is conveyed through one conveyance or a series 1689
of conveyances to an entity that is not a charitable or 1690
educational institution and is not the state or a political 1691
subdivision, provided that all of the following conditions apply 1692
with respect to that property: 1693

(a) The property was listed as exempt on the county 1694
auditor's tax list and duplicate for the county in which it is 1695
located for the tax year immediately preceding the year in which 1696
the property is conveyed through one conveyance or a series of 1697
conveyances; 1698

(b) The property or an interest therein is conveyed 1699
through one conveyance or a series of conveyances to an ~~owner~~ 1700
entity that does any of the following: 1701

(i) Leases at least forty-five per cent of the useable 1702
rental space of the property, through one lease or a series of 1703
leases, to the entity that owned or occupied the property for 1704

the tax year immediately preceding the year in which the 1705
property is conveyed or to an affiliate of that entity; 1706

(ii) Contracts to have renovations performed as described 1707
in division (B) (1) (d) of this section and is at least partially 1708
owned, directly or indirectly, by a nonprofit organization 1709
described in section 501(c) (3) of the Internal Revenue Code that 1710
is exempt from taxation under section 501(a) of that code. 1711

(c) The property includes improvements that are at least 1712
fifty years old; 1713

(d) The property is being renovated in connection with a 1714
claim for historic preservation tax credits available under 1715
federal law; 1716

(e) ~~The~~ At least forty-five per cent of the useable rental 1717
space of the property continues to be used for the purposes 1718
described in division (A) (1) (a) or (b) of this section after its 1719
conveyance; and 1720

(f) The property is certified by the United States 1721
secretary of the interior as a "certified historic structure" or 1722
certified as part of a certified historic structure. 1723

(2) Notwithstanding section 5715.27 of the Revised Code, 1724
an application for exemption from taxation of property described 1725
in division (B) (1) of this section may be filed by either the 1726
owner of the property, the lessee of the property if the 1727
property is held under a leasehold interest described in 1728
division (D) (1) of this section, or its occupant the entity 1729
leasing the property as described in division (B) (1) (b) (i) of 1730
this section. 1731

(C) For purposes of this section, an institution that 1732
meets all of the following requirements is conclusively presumed 1733

to be a charitable institution: 1734

(1) The institution is a nonprofit corporation or 1735
association, no part of the net earnings of which inures to the 1736
benefit of any private shareholder or individual; 1737

(2) The institution is exempt from federal income taxation 1738
under section 501(a) of the Internal Revenue Code; 1739

(3) The majority of the institution's board of directors 1740
are appointed by the mayor or legislative authority of a 1741
municipal corporation or a board of county commissioners, or a 1742
combination thereof; 1743

(4) The primary purpose of the institution is to assist in 1744
the development and revitalization of downtown urban areas. 1745

(D) (1) For the purposes of division (A) of this section, 1746
real property belongs to a charitable or educational institution 1747
or to the state or a political subdivision if the institution, 1748
state, or political subdivision owns the property or holds a 1749
leasehold interest in property with a remaining term that 1750
exceeds the recovery period for that property prescribed by 1751
section 168(c) of the Internal Revenue Code. 1752

(2) For purposes of division (A) (1) (b) of this section, 1753
the status of a museum as open to the general public shall be 1754
conclusive if the museum is accredited by the American alliance 1755
of museums or a successor organization. 1756

Sec. 5709.45. (A) As used in sections 5709.45 to 5709.47 1757
of the Revised Code: 1758

(1) "Downtown redevelopment district" or "district" means 1759
an area not more than ten acres enclosed by a continuous 1760
boundary in which at least one historic building is being, or 1761

will be, rehabilitated. 1762

(2) "Historic building" and "rehabilitation" have the same meanings as in section 149.311 of the Revised Code. 1763
1764

(3) "Public infrastructure improvement" has the same meaning as in section 5709.40 of the Revised Code. 1765
1766

(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. 1767
1768
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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. 1771
1772
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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. 1776
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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. 1782
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"Information technology" includes matters concerned with the furtherance of computer science and technology, design, 1789
1790

development, installation, and implementation of information 1791
systems and applications that in turn will be licensed or sold 1792
to a specific target market. "Information technology" does not 1793
include the creation of a distribution method for existing 1794
products and services. 1795

(8) "Research and development" means designing, creating, 1796
or formulating new or enhanced products, equipment, or 1797
processes, and conducting scientific or technological inquiry 1798
and experimentation in the physical sciences with the goal of 1799
increasing scientific knowledge that may reveal the bases for 1800
new or enhanced products, equipment, or processes. 1801

(9) "Technology transfer" means the transfer of technology 1802
from one sector of the economy to another, including the 1803
transfer of military technology to civilian applications, 1804
civilian technology to military applications, or technology from 1805
public or private research laboratories to military or civilian 1806
applications. 1807

(B) For the purposes of promoting rehabilitation of 1808
historic buildings, creating jobs, and encouraging economic 1809
development in commercial and mixed-use commercial and 1810
residential areas, the legislative authority of a municipal 1811
corporation may adopt an ordinance creating a downtown 1812
redevelopment district and declaring improvements to parcels 1813
within the district to be a public purpose and exempt from 1814
taxation. Downtown redevelopment districts shall not be created 1815
in areas used exclusively for residential purposes and shall not 1816
be utilized for development or redevelopment of residential 1817
areas. 1818

The ordinance shall specify all of the following: 1819

<u>(1) The boundary of the district;</u>	1820
<u>(2) The county treasurer's permanent parcel number</u> <u>associated with each parcel included in the district;</u>	1821 1822
<u>(3) The parcel or parcels within the district that include</u> <u>a historic building that is being or will be rehabilitated;</u>	1823 1824
<u>(4) The proposed life of the district;</u>	1825
<u>(5) An economic development plan for the district that</u> <u>includes all of the following:</u>	1826 1827
<u>(a) A statement describing the principal purposes and</u> <u>goals to be served by creating the district;</u>	1828 1829
<u>(b) An explanation of how the municipal corporation will</u> <u>collaborate with businesses and property owners within the</u> <u>district to develop strategies for achieving such purposes and</u> <u>goals;</u>	1830 1831 1832 1833
<u>(c) A plan for using the service payments provided for in</u> <u>section 5709.46 of the Revised Code to promote economic</u> <u>development and job creation within the district.</u>	1834 1835 1836
<u>Not more than seventy per cent of improvements to parcels</u> <u>within a downtown redevelopment district may be exempted from</u> <u>taxation under this section. A district may not include a parcel</u> <u>that is or has been exempted from taxation under this section or</u> <u>section 5709.40 or 5709.41 of the Revised Code. Except as</u> <u>provided in division (F) of this section, the life of a downtown</u> <u>redemption district shall not exceed ten years.</u>	1837 1838 1839 1840 1841 1842 1843
<u>A municipal corporation may adopt more than one ordinance</u> <u>under division (B) of this section. A single such ordinance may</u> <u>create more than one downtown redevelopment district.</u>	1844 1845 1846

(C) For the purposes of attracting and facilitating growth 1847
of qualified businesses and supporting the economic development 1848
efforts of business incubators and accelerators, the legislative 1849
authority of a municipal corporation may designate an innovation 1850
district within a proposed or existing downtown redevelopment 1851
district. The life of the innovation district shall be identical 1852
to the downtown redevelopment district in which the innovation 1853
district is located. In addition to the requirements in division 1854
(B) of this section, an ordinance creating a downtown 1855
redevelopment district that includes an innovation district 1856
shall specify all of the following: 1857

(1) The boundary of the innovation district; 1858

(2) The permanent parcel number associated with each 1859
parcel included in the innovation district; 1860

(3) An economic development plan for the innovation 1861
district that meets the criteria prescribed by division (B)(5) 1862
of this section. 1863

(D) At least thirty days before adopting an ordinance 1864
under division (B) of this section, the legislative authority of 1865
the municipal corporation shall conduct a public hearing on the 1866
proposed ordinance and the accompanying economic development 1867
plan. At least thirty days before the public hearing, the 1868
legislative authority shall give notice of the public hearing 1869
and the proposed ordinance by first class mail to every real 1870
property owner whose property is located within the boundaries 1871
of the proposed district that is the subject of the proposed 1872
ordinance. 1873

(E) Revenue derived from downtown redevelopment district 1874
service payments may be used by the municipal corporation for 1875

any of the following purposes: 1876

(1) To finance or support loans, deferred loans, or grants 1877
to owners of historic buildings within the downtown 1878
redevelopment district. Such loans or grants shall be awarded 1879
upon the condition that the loan or grant amount may be used by 1880
the owner only to rehabilitate the historic building. A 1881
municipal corporation that awards a loan or grant under this 1882
division shall develop a plan for tracking the loan or grant 1883
recipient's use of the loan or grant and monitoring the progress 1884
of the recipient's rehabilitation project. 1885

(2) To make contributions to a special improvement 1886
district for use under section 1710.14 of the Revised Code, to a 1887
community improvement corporation for use under section 1724.12 1888
of the Revised Code, or to a nonprofit corporation, as defined 1889
in section 1702.01 of the Revised Code, the primary purpose of 1890
which is redeveloping historic buildings and historic districts 1891
for use by the corporation to rehabilitate a historic building 1892
within the downtown redevelopment district or to otherwise 1893
promote or enhance the district. Amounts contributed under 1894
division (E) (2) of this section shall not exceed the property 1895
tax revenue that would have been generated by twenty per cent of 1896
the assessed value of the exempted improvements within the 1897
downtown redevelopment district. 1898

(3) To finance or support loans to owners of one or more 1899
buildings located within the district that do not qualify as 1900
historic buildings. Such loans shall be awarded upon the 1901
condition that the loan amount may be used by the owner only to 1902
make repairs and improvements to the building or buildings. A 1903
municipal corporation that awards a loan under this division 1904
shall develop a plan for tracking the loan recipient's use of 1905

the loan and monitoring the progress of the recipient's repairs 1906
or improvements. 1907

(4) To finance public infrastructure improvements within 1908
the downtown redevelopment district. If revenue generated by the 1909
downtown redevelopment district will be used to finance public 1910
infrastructure improvements, the economic development plan 1911
described by division (B) (5) of this section shall identify 1912
specific projects that are being or will be undertaken within 1913
the district and describe how such infrastructure improvements 1914
will accommodate additional demands on the existing 1915
infrastructure within the district. A municipal corporation 1916
shall not use service payments derived from a downtown 1917
redevelopment district to repair or replace police or fire 1918
equipment. 1919

(5) To finance or support loans, deferred loans, or grants 1920
to qualified businesses or to incubators and accelerators that 1921
provide services and capital to qualified businesses within an 1922
innovation district. Such loans or grants shall be awarded upon 1923
the condition that the loan or grant shall be used by the 1924
recipient to start or develop one or more qualified businesses 1925
within the innovation district. A municipal corporation that 1926
awards a loan or grant under this division shall develop a plan 1927
for tracking the loan or grant recipient's use of the loan or 1928
grant and monitoring the establishment and growth of the 1929
qualified business. 1930

(F) Notwithstanding division (B) of this section, 1931
improvements to parcels located within a downtown redevelopment 1932
district may be exempted from taxation under this section for up 1933
to thirty years if either of the following apply: 1934

(1) The ordinance creating the redevelopment district 1935

specifies that payments in lieu of taxes shall be paid to the 1936
city, local, or exempted village, and joint vocational school 1937
district or districts in which the redevelopment district is 1938
located in the amount of the taxes that would have been payable 1939
to the school district or districts if the improvements had not 1940
been exempted from taxation. 1941

(2) The municipal corporation creating the district 1942
obtains the approval under division (G) of this section of the 1943
board of education of each city, local, and exempted village 1944
school district within which the district will be located. 1945

(G) (1) The legislative authority of a municipal 1946
corporation seeking the approval of a school district for the 1947
purpose of division (G) (2) of this section shall send notice of 1948
the proposed ordinance to the school district not later than 1949
forty-five business days before it intends to adopt the 1950
ordinance. The notice shall include a copy of the proposed 1951
ordinance and shall indicate the date on which the legislative 1952
authority intends to adopt the ordinance. The board of education 1953
of the school district, by resolution adopted by a majority of 1954
the board, may do any of the following: 1955

(a) Approve the exemption for the number of years 1956
specified in the proposed ordinance; 1957

(b) Disapprove the exemption for the number of years in 1958
excess of ten; 1959

(c) Approve the exemption on the condition that the 1960
legislative authority and the board negotiate an agreement 1961
providing for compensation to the school district equal in value 1962
to a percentage of the amount of taxes exempted in the eleventh 1963
and subsequent years of the exemption period or other mutually 1964

agreeable compensation. If an agreement is negotiated under this 1965
division, the legislative authority shall compensate all joint 1966
vocational school districts within which the downtown 1967
redevelopment district is located at the same rate and under the 1968
same terms received by the city, local, or exempted village 1969
school district. 1970

(2) The board of education shall certify a resolution 1971
adopted under division (G) (1) of this section to the legislative 1972
authority of the municipal corporation not later than fourteen 1973
days before the date the legislative authority intends to adopt 1974
the ordinance as indicated in the notice. If the board of 1975
education approves the ordinance or negotiates a mutually 1976
acceptable compensation agreement with the legislative 1977
authority, the legislative authority may enact the ordinance in 1978
its current form. If the board disapproves of the ordinance and 1979
fails to negotiate a mutually acceptable compensation agreement 1980
with the legislative authority, the legislative authority may 1981
exempt improvements to parcels within the downtown redevelopment 1982
district for not more than ten years. If the board fails to 1983
certify a resolution to the legislative authority within the 1984
time prescribed by this division, the legislative authority may 1985
adopt the ordinance and may exempt improvements to parcels 1986
within the downtown redevelopment district for the period of 1987
time specified in the notice delivered to the board of 1988
education. The legislative authority may adopt the ordinance at 1989
any time after the board of education certifies its resolution 1990
approving the exemption to the legislative authority or, if the 1991
board approves the exemption on the condition that a mutually 1992
acceptable compensation agreement be negotiated, at any time 1993
after the compensation agreement is agreed to by the board and 1994
the legislative authority. 1995

(3) If a board of education has adopted a resolution 1996
waiving its right to approve exemptions from taxation under this 1997
section and the resolution remains in effect, approval of 1998
exemptions by the board is not required under division (G) of 1999
this section. If a board of education has adopted a resolution 2000
allowing a legislative authority to deliver the notice required 2001
under division (G)(1) of this section fewer than forty-five 2002
business days before the legislative authority's adoption of the 2003
ordinance, the legislative authority shall deliver the notice to 2004
the board not later than the number of days before such adoption 2005
as prescribed by the board in its resolution. If a board of 2006
education adopts a resolution waiving its right to approve 2007
agreements or shortening the notification period, the board 2008
shall certify a copy of the resolution to the legislative 2009
authority. If the board of education rescinds such a resolution, 2010
it shall certify notice of the rescission to the legislative 2011
authority. 2012

(4) If the legislative authority is not required by 2013
division (G) of this section to notify the board of education of 2014
the legislative authority's intent to create a downtown 2015
redevelopment district, the legislative authority shall comply 2016
with the notice requirements imposed under section 5709.83 of 2017
the Revised Code, unless the board has adopted a resolution 2018
under that section waiving its right to receive such a notice. 2019

(H) Service payments in lieu of taxes that are 2020
attributable to any amount by which the effective tax rate of 2021
either a renewal levy with an increase or a replacement levy 2022
exceeds the effective tax rate of the levy renewed or replaced, 2023
or that are attributable to an additional levy, for a levy 2024
authorized by the voters for any of the following purposes on or 2025
after January 1, 2006, and which are provided pursuant to an 2026

ordinance creating a downtown redevelopment district under 2027
division (B) of this section shall be distributed to the 2028
appropriate taxing authority as required under division (C) of 2029
section 5709.46 of the Revised Code in an amount equal to the 2030
amount of taxes from that additional levy or from the increase 2031
in the effective tax rate of such renewal or replacement levy 2032
that would have been payable to that taxing authority from the 2033
following levies were it not for the exemption authorized under 2034
division (B) of this section: 2035

(1) A tax levied under division (L) of section 5705.19 or 2036
section 5705.191 of the Revised Code for community mental 2037
retardation and developmental disabilities programs and services 2038
pursuant to Chapter 5126. of the Revised Code; 2039

(2) A tax levied under division (Y) of section 5705.19 of 2040
the Revised Code for providing or maintaining senior citizens 2041
services or facilities; 2042

(3) A tax levied under section 5705.22 of the Revised Code 2043
for county hospitals; 2044

(4) A tax levied by a joint-county district or by a county 2045
under section 5705.19, 5705.191, or 5705.221 of the Revised Code 2046
for alcohol, drug addiction, and mental health services or 2047
facilities; 2048

(5) A tax levied under section 5705.23 of the Revised Code 2049
for library purposes; 2050

(6) A tax levied under section 5705.24 of the Revised Code 2051
for the support of children services and the placement and care 2052
of children; 2053

(7) A tax levied under division (Z) of section 5705.19 of 2054
the Revised Code for the provision and maintenance of zoological 2055

<u>park services and facilities under section 307.76 of the Revised</u>	2056
<u>Code;</u>	2057
<u>(8) A tax levied under section 511.27 or division (H) of</u>	2058
<u>section 5705.19 of the Revised Code for the support of township</u>	2059
<u>park districts;</u>	2060
<u>(9) A tax levied under division (A), (F), or (H) of</u>	2061
<u>section 5705.19 of the Revised Code for parks and recreational</u>	2062
<u>purposes of a joint recreation district organized pursuant to</u>	2063
<u>division (B) of section 755.14 of the Revised Code;</u>	2064
<u>(10) A tax levied under section 1545.20 or 1545.21 of the</u>	2065
<u>Revised Code for park district purposes;</u>	2066
<u>(11) A tax levied under section 5705.191 of the Revised</u>	2067
<u>Code for the purpose of making appropriations for public</u>	2068
<u>assistance; human or social services; public relief; public</u>	2069
<u>welfare; public health and hospitalization; and support of</u>	2070
<u>general hospitals;</u>	2071
<u>(12) A tax levied under section 3709.29 of the Revised</u>	2072
<u>Code for a general health district program.</u>	2073
<u>(I) An exemption from taxation granted under this section</u>	2074
<u>commences with the tax year specified in the ordinance so long</u>	2075
<u>as the year specified in the ordinance commences after the</u>	2076
<u>effective date of the ordinance. If the ordinance specifies a</u>	2077
<u>year commencing before the effective date of the ordinance or</u>	2078
<u>specifies no year whatsoever, the exemption commences with the</u>	2079
<u>tax year in which an exempted improvement first appears on the</u>	2080
<u>tax list and that commences after the effective date of the</u>	2081
<u>ordinance. In lieu of stating a specific year, the ordinance may</u>	2082
<u>provide that the exemption commences in the tax year in which</u>	2083
<u>the value of an improvement exceeds a specified amount or in</u>	2084

which the construction of one or more improvements is completed, 2085
provided that such tax year commences after the effective date 2086
of the ordinance. 2087

Except as otherwise provided in this division, the 2088
exemption ends on the date specified in the ordinance as the 2089
date the improvement ceases to be a public purpose or the 2090
downtown redevelopment district expires, whichever occurs first. 2091
The exemption of an improvement within a downtown redevelopment 2092
district may end on a later date, as specified in the ordinance, 2093
if the legislative authority and the board of education of the 2094
city, local, or exempted village school district within which 2095
the parcel or district is located have entered into a 2096
compensation agreement under section 5709.82 of the Revised Code 2097
with respect to the improvement, and the board of education has 2098
approved the term of the exemption under division (G) of this 2099
section, but in no case shall the improvement be exempted from 2100
taxation for more than thirty years. Exemptions shall be claimed 2101
and allowed in the same manner as in the case of other real 2102
property exemptions. If an exemption status changes during a 2103
year, the procedure for the apportionment of the taxes for that 2104
year is the same as in the case of other changes in tax 2105
exemption status during the year. 2106

(J) Additional municipal financing of the projects and 2107
services described in division (E) of this section may be 2108
provided by any methods that the municipal corporation may 2109
otherwise use for financing such projects and services. If the 2110
municipal corporation issues bonds or notes to finance such 2111
projects and services and pledges money from the municipal 2112
downtown redevelopment district fund to pay the interest on and 2113
principal of the bonds or notes, the bonds or notes are not 2114
subject to Chapter 133. of the Revised Code. 2115

(K) The municipal corporation, not later than fifteen days 2116
after the adoption of an ordinance under this section, shall 2117
submit to the director of development services a copy of the 2118
ordinance. On or before the thirty-first day of March of each 2119
year, the municipal corporation shall submit a status report to 2120
the director of development services. The report shall indicate, 2121
in the manner prescribed by the director, the progress of the 2122
projects and services during each year that an exemption remains 2123
in effect, including a summary of the receipts from service 2124
payments in lieu of taxes; expenditures of money from the funds 2125
created under section 5709.47 of the Revised Code; a description 2126
of the projects and services financed with such expenditures; 2127
and a quantitative summary of changes in employment and private 2128
investment resulting from each project and service. 2129

(L) Nothing in this section shall be construed to prohibit 2130
a legislative authority from declaring to be a public purpose 2131
improvements with respect to more than one parcel. 2132

(M) (1) The owner of real property located in a downtown 2133
redevelopment district may enter into an agreement with the 2134
municipal corporation that created the district to impose a 2135
redevelopment charge on the property to cover all or part of the 2136
cost of services, facilities, and improvements provided within 2137
the district under division (E) of this section. The agreement 2138
shall include the following: 2139

(a) The amount of the redevelopment charge. The 2140
redevelopment charge may be a fixed dollar amount or an amount 2141
determined on the basis of the assessed valuation of the 2142
property or all or part of the profits, gross receipts, or other 2143
revenues of a business operating on the property, including 2144
rentals received from leases of the property. If the property is 2145

leased to one or more tenants, the redevelopment charge may be 2146
itemized as part of the lease rate. 2147

(b) The termination date of the redevelopment charge. The 2148
redevelopment charge shall not be charged after the expiration 2149
or termination of the downtown redevelopment district. 2150

(c) The terms by which the municipal corporation shall 2151
collect the redevelopment charge. 2152

(d) The purposes for which the redevelopment charge may be 2153
used by the municipal corporation. The redevelopment charge 2154
shall be used only for those purposes described by division (E) 2155
of this section. The agreement may specify any or all of such 2156
purposes. 2157

(2) Redevelopment charges collected by a municipal 2158
corporation under division (M) of this section shall be 2159
deposited to the municipal downtown redevelopment district fund 2160
created under section 5709.47 of the Revised Code. 2161

(3) An agreement by a property owner under division (M) of 2162
this section is hereby deemed to be a covenant running with the 2163
land. The covenant is fully binding on behalf of and enforceable 2164
by the municipal corporation against any person acquiring an 2165
interest in the land and all of that person's successors and 2166
assigns. 2167

(4) No purchase agreement for real estate or any interest 2168
in real estate upon which a redevelopment charge is levied shall 2169
be enforceable by the seller or binding upon the purchaser 2170
unless the purchase agreement specifically refers to the 2171
redevelopment charge. If a conveyance of such real estate or 2172
interest in such real estate is made pursuant to a purchase 2173
agreement that does not make such reference, the redevelopment 2174

charge shall continue to be a covenant running with the land 2175
fully binding on behalf of and enforceable by the municipal 2176
corporation against the person accepting the conveyance pursuant 2177
to the purchase agreement. 2178

(5) If a redevelopment charge is not paid when due, the 2179
overdue amount shall be collected according to the terms of the 2180
agreement. If the agreement does not specify a procedure for 2181
collecting overdue redevelopment charges, the municipal 2182
corporation may certify the charge to the county auditor. The 2183
county auditor shall enter the unpaid charge on the tax list and 2184
duplicate of real property opposite the parcel against which it 2185
is charged and certify the charge to the county treasurer. The 2186
unpaid redevelopment charge is a lien on property against which 2187
it is charged from the date the charge is entered on the tax 2188
list, and shall be collected in the manner provided for the 2189
collection of real property taxes. Once the charge is collected, 2190
it shall be paid immediately to the municipal corporation. 2191

Sec. 5709.46. (A) A municipal corporation that has 2192
declared an improvement to be a public purpose under section 2193
5709.45 of the Revised Code may require the owner of any 2194
structure located on the parcel to make annual service payments 2195
in lieu of taxes to the county treasurer on or before the final 2196
dates for payment of real property taxes. Each such payment 2197
shall be charged and collected in the same manner and in the 2198
same amount as the real property taxes that would have been 2199
charged and payable against the improvement if it were not 2200
exempt from taxation. If any reduction in the levies otherwise 2201
applicable to such exempt property is made by the county budget 2202
commission under section 5705.31 of the Revised Code, the amount 2203
of the service payment in lieu of taxes shall be calculated as 2204
if such reduction in levies had not been made. 2205

(B) Moneys collected as service payments in lieu of taxes 2206
from a parcel shall be distributed at the same time and in the 2207
same manner as real property tax payments. However, subject to 2208
division (C) of this section or section 5709.913 of the Revised 2209
Code, the entire amount so collected shall be distributed to the 2210
municipal corporation in which the parcel is located. If an 2211
ordinance adopted under section 5709.45 of the Revised Code 2212
specifies that service payments shall be paid to the city, 2213
local, or exempted village school district in which the parcel 2214
is located, the county treasurer shall distribute the portion of 2215
the service payments to that school district in an amount equal 2216
to the property tax payments the school district would have 2217
received from the portion of the parcel's improvement exempted 2218
from taxation had the improvement not been exempted, as directed 2219
in the ordinance. The treasurer shall maintain a record of the 2220
service payments in lieu of taxes made from property in each 2221
municipal corporation. 2222

(C) If annual service payments in lieu of taxes are 2223
required under this section, the county treasurer shall 2224
distribute to the appropriate taxing authorities the portion of 2225
the service payments that represents payments required under 2226
division (H) of section 5709.45 of the Revised Code. 2227

(D) Nothing in this section or section 5709.45 of the 2228
Revised Code affects the taxes levied against that portion of 2229
the value of any parcel of property that is not exempt from 2230
taxation. 2231

Sec. 5709.47. (A) A municipal corporation that grants a 2232
tax exemption or enters into a redevelopment charge agreement 2233
under section 5709.45 of the Revised Code shall establish a 2234
municipal downtown redevelopment district fund into which shall 2235

be deposited service payments in lieu of taxes distributed to 2236
the municipal corporation under section 5709.46 of the Revised 2237
Code and redevelopment charges collected pursuant to division 2238
(M) of section 5709.45 of the Revised Code. If an ordinance 2239
adopted under division (B) of section 5709.45 of the Revised 2240
Code or an agreement under division (M) of that section 2241
authorizes the use of service payments or redevelopment charges 2242
for more than one of the purposes described in division (E) of 2243
that section, the municipal corporation shall establish separate 2244
accounts for the service payments and redevelopment charges 2245
designated for each such purpose. Money in an account of the 2246
municipal downtown redevelopment district fund shall be used for 2247
the purposes described in the ordinance creating the downtown 2248
redevelopment district and the redevelopment charge agreements. 2249
The municipal corporation also may deposit into any of those 2250
accounts municipal income tax revenue that has been designated 2251
by ordinance to finance the public infrastructure improvements. 2252

(B) (1) A municipal corporation may distribute money in the 2253
municipal downtown redevelopment district fund to any school 2254
district in which the exempt property is located in an amount 2255
not to exceed the amount of real property taxes that such school 2256
district would have received from the improvement if it were not 2257
exempt from taxation, or use money in the fund to finance 2258
specific public improvements benefiting the school district. The 2259
resolution or ordinance establishing the fund shall set forth 2260
the percentage of such maximum amount that will be distributed 2261
to any affected school district or used to finance specific 2262
public improvements benefiting the school district. 2263

(2) A municipal corporation also may distribute money in 2264
the municipal downtown redevelopment district fund to a county 2265
in accordance with section 5709.913 of the Revised Code. 2266

(C) Any incidental surplus remaining in the municipal 2267
downtown redevelopment district fund or an account of that fund 2268
upon dissolution of the fund or account shall be transferred to 2269
the general fund of the municipal corporation. 2270

Sec. 5709.82. (A) As used in this section: 2271

(1) "New employee" means both of the following: 2272

(a) Persons employed in the construction of real property 2273
exempted from taxation under the chapters or sections of the 2274
Revised Code enumerated in division (B) of this section; 2275

(b) Persons not described by division (A)(1)(a) of this 2276
section who are first employed at the site of such property and 2277
who within the two previous years have not been subject, prior 2278
to being employed at that site, to income taxation by the 2279
municipal corporation within whose territory the site is located 2280
on income derived from employment for the person's current 2281
employer. "New employee" does not include any person who 2282
replaces a person who is not a new employee under division (A) 2283
(1) of this section. 2284

(2) "Infrastructure costs" means costs incurred by a 2285
municipal corporation in a calendar year to acquire, construct, 2286
reconstruct, improve, plan, or equip real or tangible personal 2287
property that directly benefits or will directly benefit the 2288
exempted property. If the municipal corporation finances the 2289
acquisition, construction, reconstruction, improvement, 2290
planning, or equipping of real or tangible personal property 2291
that directly benefits the exempted property by issuing debt, 2292
"infrastructure costs" means the annual debt charges incurred by 2293
the municipal corporation from the issuance of such debt. Real 2294
or tangible personal property directly benefits exempted 2295

property only if the exempted property places or will place 2296
direct, additional demand on the real or tangible personal 2297
property for which such costs were or will be incurred. 2298

(3) "Taxing unit" has the same meaning as in division (H) 2299
of section 5705.01 of the Revised Code. 2300

(B) (1) Except as otherwise provided under division (C) of 2301
this section, the legislative authority of any political 2302
subdivision that has acted under the authority of Chapter 725. 2303
or 1728., sections 3735.65 to 3735.70, or section 5709.40, 2304
5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 2305
5709.84, or 5709.88 of the Revised Code to grant an exemption 2306
from taxation for real or tangible personal property may 2307
negotiate with the board of education of each city, local, 2308
exempted village, or joint vocational school district or other 2309
taxing unit within the territory of which the exempted property 2310
is located, and enter into an agreement whereby the school 2311
district or taxing unit is compensated for tax revenue foregone 2312
by the school district or taxing unit as a result of the 2313
exemption. Except as otherwise provided in division (B) (1) of 2314
this section, if a political subdivision enters into more than 2315
one agreement under this section with respect to a tax 2316
exemption, the political subdivision shall provide to each 2317
school district or taxing unit with which it contracts the same 2318
percentage of tax revenue foregone by the school district or 2319
taxing unit, which may be based on a good faith projection made 2320
at the time the exemption is granted. Such percentage shall be 2321
calculated on the basis of amounts paid by the political 2322
subdivision and any amounts paid by an owner under division (B) 2323
(2) of this section. A political subdivision may provide a 2324
school district or other taxing unit with a smaller percentage 2325
of foregone tax revenue than that provided to other school 2326

districts or taxing units only if the school district or taxing 2327
unit expressly consents in the agreement to receiving a smaller 2328
percentage. If a subdivision has acted under the authority of 2329
section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 2330
Revised Code and enters into a compensation agreement with a 2331
city, local, or exempted village school district, the 2332
subdivision shall provide compensation to the joint vocational 2333
school district within the territory of which the exempted 2334
property is located at the same rate and under the same terms as 2335
received by the city, local, or exempted village school 2336
district. 2337

(2) An owner of property exempted from taxation under the 2338
authority described in division (B)(1) of this section may, by 2339
becoming a party to an agreement described in division (B)(1) of 2340
this section or by entering into a separate agreement with a 2341
school district or other taxing unit, agree to compensate the 2342
school district or taxing unit by paying cash or by providing 2343
property or services by gift, loan, or otherwise. If the owner's 2344
property is exempted under the authority of section 5709.40, 2345
5709.41, 5709.45, 5709.73, or 5709.78 of the Revised Code and 2346
the owner enters into a compensation agreement with a city, 2347
local, or exempted village school district, the owner shall 2348
provide compensation to the joint vocational school district 2349
within the territory of which the owner's property is located at 2350
the same rate and under the same terms as received by the city, 2351
local, or exempted village school district. 2352

(C) This division does not apply to the following: 2353

(1) The legislative authority of a municipal corporation 2354
that has acted under the authority of division (H) of section 2355
715.70 or section 715.81 of the Revised Code to consent to the 2356

granting of an exemption from taxation for real or tangible 2357
personal property in a joint economic development district. 2358

(2) The legislative authority of a municipal corporation 2359
that has specified in an ordinance adopted under section 5709.40 2360
~~or, 5709.41, or 5709.45~~ of the Revised Code that payments in 2361
lieu of taxes provided for under section 5709.42 or 5709.46 of 2362
the Revised Code shall be paid to the city, local, or exempted 2363
village school district in which the improvements are located in 2364
the amount of taxes that would have been payable to the school 2365
district if the improvements had not been exempted from 2366
taxation, as directed in the ordinance. 2367

If the legislative authority of any municipal corporation 2368
has acted under the authority of Chapter 725. or 1728. or 2369
section 3735.671, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 2370
5709.632, or 5709.88, or a housing officer under section 3735.67 2371
of the Revised Code, to grant or consent to the granting of an 2372
exemption from taxation for real or tangible personal property 2373
on or after July 1, 1994, the municipal corporation imposes a 2374
tax on incomes, and the payroll of new employees resulting from 2375
the exercise of that authority equals or exceeds one million 2376
dollars in any tax year for which such property is exempted, the 2377
legislative authority and the board of education of each city, 2378
local, or exempted village school district within the territory 2379
of which the exempted property is located shall attempt to 2380
negotiate an agreement providing for compensation to the school 2381
district for all or a portion of the tax revenue the school 2382
district would have received had the property not been exempted 2383
from taxation. The agreement may include as a party the owner of 2384
the property exempted or to be exempted from taxation and may 2385
include provisions obligating the owner to compensate the school 2386
district by paying cash or providing property or services by 2387

gift, loan, or otherwise. Such an obligation is enforceable by 2388
the board of education of the school district pursuant to the 2389
terms of the agreement. 2390

If the legislative authority and board of education fail 2391
to negotiate an agreement that is mutually acceptable within six 2392
months of formal approval by the legislative authority of the 2393
instrument granting the exemption, the legislative authority 2394
shall compensate the school district in the amount and manner 2395
prescribed by division (D) of this section. 2396

(D) Annually, the legislative authority of a municipal 2397
corporation subject to this division shall pay to the city, 2398
local, or exempted village school district within the territory 2399
of which the exempted property is located an amount equal to 2400
fifty per cent of the difference between the amount of taxes 2401
levied and collected by the municipal corporation on the incomes 2402
of new employees in the calendar year ending on the day the 2403
payment is required to be made, and the amount of any 2404
infrastructure costs incurred in that calendar year. For 2405
purposes of such computation, the amount of infrastructure costs 2406
shall not exceed thirty-five per cent of the amount of those 2407
taxes unless the board of education of the school district, by 2408
resolution adopted by a majority of the board, approves an 2409
amount in excess of that percentage. If the amount of those 2410
taxes or infrastructure costs must be estimated at the time the 2411
payment is made, payments in subsequent years shall be adjusted 2412
to compensate for any departure of those estimates from the 2413
actual amount of those taxes. 2414

A municipal corporation required to make a payment under 2415
this section shall make the payment from its general fund or a 2416
special fund established for the purpose. The payment is payable 2417

on the thirty-first day of December of the tax year for or in 2418
which the exemption from taxation commences and on that day for 2419
each subsequent tax year property is exempted and the 2420
legislative authority and board fail to negotiate an acceptable 2421
agreement under division (C) of this section. 2422

Sec. 5709.83. (A) Except as otherwise provided in division 2423
(B) or (C) of this section, prior to taking formal action to 2424
adopt or enter into any instrument granting a tax exemption 2425
under section 725.02, 1728.06, 5709.40, 5709.41, 5709.45, 2426
5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 5709.84, or 2427
5709.88 of the Revised Code or formally approving an agreement 2428
under section 3735.671 of the Revised Code, or prior to 2429
forwarding an application for a tax exemption for residential 2430
property under section 3735.67 of the Revised Code to the county 2431
auditor, the legislative authority of the political subdivision 2432
or housing officer shall notify the board of education of each 2433
city, local, exempted village, or joint vocational school 2434
district in which the proposed tax-exempted property is located. 2435
The notice shall include a copy of the instrument or 2436
application. The notice shall be delivered not later than 2437
fourteen days prior to the day the legislative authority takes 2438
formal action to adopt or enter into the instrument, or not 2439
later than fourteen days prior to the day the housing officer 2440
forwards the application to the county auditor. If the board of 2441
education comments on the instrument or application to the 2442
legislative authority or housing officer, the legislative 2443
authority or housing officer shall consider the comments. If the 2444
board of education of the city, local, exempted village, or 2445
joint vocational school district so requests, the legislative 2446
authority or the housing officer shall meet in person with a 2447
representative designated by the board of education to discuss 2448

the terms of the instrument or application. 2449

(B) The notice otherwise required to be provided to boards 2450
of education under division (A) of this section is not required 2451
if the board has adopted a resolution waiving its right to 2452
receive such notices, and that resolution remains in effect. If 2453
a board of education adopts such a resolution, the board shall 2454
cause a copy of the resolution to be certified to the 2455
legislative authority. If the board of education rescinds such a 2456
resolution, it shall certify notice of the rescission to the 2457
legislative authority. A board of education may adopt such a 2458
resolution with respect to any one or more counties, townships, 2459
or municipal corporations situated in whole or in part within 2460
the school district. 2461

(C) If a legislative authority is required to provide 2462
notice to a city, local, or exempted village school district of 2463
its intent to grant such an exemption as required by section 2464
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 2465
Code, the legislative authority, before adopting a resolution or 2466
ordinance under that section, shall notify the board of 2467
education of each joint vocational school district in which the 2468
property to be exempted is located using the same time 2469
requirements for the notice that applies to notices to city, 2470
local, and exempted village school districts. The content of the 2471
notice and procedures for responding to the notice are the same 2472
as required in division (A) of this section. 2473

Sec. 5709.831. (A) As used in this section: 2474

(1) "Exempted improvements" means improvements exempted 2475
from taxation under section 5709.40, 5709.41, 5709.45, 5709.73, 2476
or 5709.78 of the Revised Code. 2477

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

(B) The legislative authority of a political subdivision that grants an exemption from taxation for an improvement under section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised Code may require the owner of the improvement to reimburse the local taxing authorities within whose taxing jurisdiction the exempted improvement is located for the amount of real property taxes that would have been payable to the taxing authorities had the improvement not been exempted from taxation. If the legislative authority requires the owner of the exempted improvements to make payments in lieu of taxes, the legislative authority may require such reimbursement only to the extent that the owner failed to make those payments as required. The legislative authority may secure any reimbursement authorized by this section by a lien on the exempted property, which shall attach, and may be perfected, collected, and enforced, in the same manner as a mortgage lien on real property, and which shall otherwise have the same force and effect as a mortgage lien on real property.

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

disability, color, national origin, or ancestry. 2509

Sec. 5709.85. (A) The legislative authority of a county, 2510
township, or municipal corporation that grants an exemption from 2511
taxation under Chapter 725. or 1728. or under section 3735.67, 2512
5709.28, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 2513
5709.73, or 5709.78 of the Revised Code shall create a tax 2514
incentive review council. The council shall consist of the 2515
following members: 2516

(1) In the case of a municipal corporation eligible to 2517
designate a zone under section 5709.62 of the Revised Code, the 2518
chief executive officer or that officer's designee; a member of 2519
the legislative authority of the municipal corporation, 2520
appointed by the president of the legislative authority or, if 2521
the chief executive officer of the municipal corporation is the 2522
president, appointed by the president pro tempore of the 2523
legislative authority; the county auditor or the county 2524
auditor's designee; the chief financial officer of the municipal 2525
corporation or that officer's designee; an individual appointed 2526
by the board of education of each city, local, exempted village, 2527
and joint vocational school district to which the instrument 2528
granting the exemption applies; and two members of the public 2529
appointed by the chief executive officer of the municipal 2530
corporation with the concurrence of the legislative authority. 2531
At least four members of the council shall be residents of the 2532
municipal corporation, and at least one of the two public 2533
members appointed by the chief executive officer shall be a 2534
minority. As used in division (A) (1) of this section, a 2535
"minority" is an individual who is African-American, Hispanic, 2536
or Native American. 2537

(2) In the case of a county or a municipal corporation 2538

that is not eligible to designate a zone under section 5709.62 2539
or 5709.632 of the Revised Code, three members appointed by the 2540
board of county commissioners; two members from each municipal 2541
corporation to which the instrument granting the tax exemption 2542
applies, appointed by the chief executive officer with the 2543
concurrence of the legislative authority of the respective 2544
municipal corporations; two members of each township to which 2545
the instrument granting the tax exemption applies, appointed by 2546
the board of township trustees of the respective townships; the 2547
county auditor or the county auditor's designee; and an 2548
individual appointed by the board of education of each city, 2549
local, exempted village, and joint vocational school district to 2550
which the instrument granting the tax exemption applies. At 2551
least two members of the council shall be residents of the 2552
municipal corporations or townships to which the instrument 2553
granting the tax exemption applies. 2554

(3) In the case of a township in which improvements are 2555
declared a public purpose under section 5709.73 of the Revised 2556
Code, the board of township trustees; the county auditor or the 2557
county auditor's designee; and an individual appointed by the 2558
board of education of each city, local, exempted village, and 2559
joint vocational school district to which the instrument 2560
granting the exemption applies. 2561

(B) The county auditor or the county auditor's designee 2562
shall serve as the chairperson of the council. The council shall 2563
meet at the call of the chairperson. At the first meeting of the 2564
council, the council shall select a vice-chairperson. Attendance 2565
by a majority of the members of the council constitutes a quorum 2566
to conduct the business of the council. 2567

(C) (1) Annually, the tax incentive review council shall 2568

review all agreements granting exemptions from property taxation 2569
under Chapter 725. or 1728. or under section 3735.671, 5709.28, 2570
5709.62, 5709.63, or 5709.632 of the Revised Code, and any 2571
performance or audit reports required to be submitted pursuant 2572
to those agreements. The review shall include agreements 2573
granting such exemptions that were entered into prior to July 2574
22, 1994, that continue to be in force and applicable to the 2575
current year's property taxes. 2576

With respect to each agreement, other than an agreement 2577
entered into under section 5709.28 of the Revised Code, the 2578
council shall determine whether the owner of the exempted 2579
property has complied with the agreement, and may take into 2580
consideration any fluctuations in the business cycle unique to 2581
the owner's business. 2582

With respect to an agreement entered into under section 2583
5709.28 of the Revised Code, the council shall consist of the 2584
members described in division (A) (2) of this section and shall 2585
determine whether the agreement complies with the requirements 2586
of section 5709.28 of the Revised Code and whether a withdrawal, 2587
removal, or conversion of land from an agricultural security 2588
area established under Chapter 931. of the Revised Code has 2589
occurred in a manner that makes the exempted property no longer 2590
eligible for the exemption. 2591

On the basis of the determinations, on or before the first 2592
day of September of each year, the council shall submit to the 2593
legislative authority written recommendations for continuation, 2594
modification, or cancellation of each agreement. 2595

(2) Annually, the tax incentive review council shall 2596
review all exemptions from property taxation resulting from the 2597
declaration of public purpose improvements pursuant to section 2598

5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 2599
Code. The review shall include such exemptions that were granted 2600
prior to July 22, 1994, that continue to be in force and 2601
applicable to the current year's property taxes. With respect to 2602
each improvement for which an exemption is granted, the council 2603
shall determine the increase in the true value of parcels of 2604
real property on which improvements have been undertaken as a 2605
result of the exemption; the value of improvements exempted from 2606
taxation as a result of the exemption; and the number of new 2607
employees or employees retained on the site of the improvement 2608
as a result of the exemption. 2609

Upon the request of a tax incentive review council, the 2610
county auditor, the housing officer appointed pursuant to 2611
section 3735.66 of the Revised Code, the owner of a new or 2612
remodeled structure or improvement, and the legislative 2613
authority of the county, township, or municipal corporation 2614
granting the exemption shall supply the council with any 2615
information reasonably necessary for the council to make the 2616
determinations required under division (C) of this section, 2617
including returns or reports filed pursuant to sections 5711.02, 2618
5711.13, and 5727.08 of the Revised Code. 2619

(D) Annually, the tax incentive review council shall 2620
review the compliance of each recipient of a tax exemption under 2621
Chapter 725. or 1728. or section 3735.67, 5709.40, 5709.41, 2622
5709.45, 5709.62, 5709.63, 5709.632, 5709.73, or 5709.78 of the 2623
Revised Code with the nondiscriminatory hiring policies 2624
developed by the county, township, or municipal corporation 2625
under section 5709.832 of the Revised Code. Upon the request of 2626
the council, the recipient shall provide the council any 2627
information necessary to perform its review. On the basis of its 2628
review, the council may submit to the legislative authority 2629

written recommendations for enhancing compliance with the 2630
nondiscriminatory hiring policies. 2631

(E) A legislative authority that receives from a tax 2632
incentive review council written recommendations under division 2633
(C) (1) or (D) of this section shall, within sixty days after 2634
receipt, hold a meeting and vote to accept, reject, or modify 2635
all or any portion of the recommendations. 2636

(F) A tax incentive review council may request from the 2637
recipient of a tax exemption under Chapter 725. or 1728. or 2638
section 3735.67, 5709.28, 5709.40, 5709.41, 5709.45, 5709.62, 2639
5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code any 2640
information reasonably necessary for the council to perform its 2641
review under this section. The request shall be in writing and 2642
shall be sent to the recipient by certified mail. Within ten 2643
days after receipt of the request, the recipient shall provide 2644
to the council the information requested. 2645

Sec. 5709.91. Service payments in lieu of taxes required 2646
under sections 725.04, 5709.42, 5709.46, 5709.74, and 5709.79 of 2647
the Revised Code, minimum service payment obligations, and 2648
service charges in lieu of taxes required under sections 1728.11 2649
and 1728.111 of the Revised Code, shall be treated in the same 2650
manner as taxes for all purposes of the lien described in 2651
section 323.11 of the Revised Code, including, but not limited 2652
to, the priority and enforcement of the lien and the collection 2653
of the service payments, minimum service payment obligations, or 2654
service charges secured by the lien. For the purposes of this 2655
section, a "minimum service payment obligation" is an 2656
obligation, including a contingent obligation, for a person to 2657
make a payment to a county, township, or municipal corporation 2658
to ensure sufficient funds to finance public infrastructure 2659

improvements or, if applicable, housing renovations, pursuant to 2660
an agreement between that person and the county, township, or 2661
municipal corporation for the purposes of sections 5709.40 to 2662
5709.43, 5709.45 to 5709.47, 5709.73 to 5709.75, or 5709.77 to 2663
5709.81 of the Revised Code. 2664

Sec. 5709.911. (A) (1) A municipal corporation, township, 2665
or county that has enacted an ordinance or resolution under 2666
section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 2667
Revised Code or that has entered into an agreement referred to 2668
in section 725.02 or 1728.07 of the Revised Code may file an 2669
application for exemption under those sections in the same 2670
manner as other real property tax exemptions, notwithstanding 2671
the indication in division (A) of section 5715.27 of the Revised 2672
Code that the owner of the property may file the application. 2673

(2) Except as provided in division (B) of this section, if 2674
the application for exemption under section 725.02, 1728.10, 2675
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 2676
Code is filed by a municipal corporation, township, or county 2677
and more than one real property tax exemption applies by law to 2678
the property or a portion of the property, both of the following 2679
apply: 2680

(a) An exemption granted under section 725.02, 1728.10, 2681
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 2682
Code shall be subordinate to an exemption with respect to the 2683
property or portion of the property granted under any other 2684
provision of the Revised Code. 2685

(b) Neither service payments in lieu of taxes under 2686
section 725.04, 5709.42, 5709.46, 5709.74, or 5709.79 of the 2687
Revised Code, nor service charges in lieu of taxes under section 2688
1728.11 or 1728.111 of the Revised Code, shall be required with 2689

respect to the property or portion of the property that is 2690
exempt from real property taxes under that other provision of 2691
the Revised Code during the effective period of the exemption. 2692

(B) (1) If the application for exemption under section 2693
725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 2694
of the Revised Code is filed by the owner of the property or by 2695
a municipal corporation, township, or county with the owner's 2696
written consent attached to the application, and if more than 2697
one real property tax exemption applies by law to the property 2698
or a portion of the property, no other exemption shall be 2699
granted for the portion of the property already exempt under 2700
section 725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 2701
5709.78 of the Revised Code unless the municipal corporation, 2702
township, or county that enacted the authorizing ordinance or 2703
resolution for the earlier exemption provides its duly 2704
authorized written consent to the subsequent exemption by means 2705
of a duly enacted ordinance or resolution. 2706

(2) If the application for exemption under section 725.02, 2707
1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 2708
Revised Code is filed by a municipal corporation, township, or 2709
county and approved by the tax commissioner, if the owner of the 2710
property subsequently provides written consent to the exemption 2711
and the consent is filed with the tax commissioner, and if more 2712
than one real property tax exemption applies by law to the 2713
property or a portion of the property, no other exemption shall 2714
be granted for the portion of the property already exempt under 2715
section 725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 2716
5709.78 of the Revised Code unless the municipal corporation, 2717
township, or county that enacted the authorizing ordinance or 2718
resolution for the earlier exemption provides its duly 2719
authorized written consent to the subsequent exemption by means 2720

of a duly enacted ordinance or resolution. 2721

(C) (1) After the tax commissioner has approved or 2722
partially approved an application for exemption filed by or with 2723
the consent of a property owner under the circumstances 2724
described in division (B) (1) of this section, the municipal 2725
corporation, township, county, or property owner shall file a 2726
notice with the county recorder for the county in which the 2727
property is located that clearly identifies the property and the 2728
owner of the property and states that the property, regardless 2729
of future use or ownership, remains liable for any service 2730
payments or service charges required by the exemption until the 2731
terms of the exemption have been satisfied, unless the municipal 2732
corporation, township, or county consents to the subsequent 2733
exemption and relinquishes its right to collect the service 2734
payments or service charges as provided in division (B) (1) of 2735
this section. The county recorder's office shall charge a fee of 2736
fourteen dollars to record the notice, the proceeds of which 2737
shall be retained by the county. 2738

(2) If a property owner subsequently provides written 2739
consent to an exemption under the circumstances described in 2740
division (B) (2) of this section, the municipal corporation, 2741
township, county, or property owner shall file notice with the 2742
county recorder for the county in which the property is located 2743
that clearly identifies the property and the owner of the 2744
property and states that the property, regardless of future use 2745
or ownership, remains liable for any service payments or service 2746
charges required by the exemption until the terms of the 2747
exemption have been satisfied, unless the municipal corporation, 2748
township, or county consents to the subsequent exemption and 2749
relinquishes its right to collect the service payments or 2750
service charges as provided in division (B) (2) of this section. 2751

The county recorder's office shall charge a fee of fourteen 2752
dollars to record the notice, the proceeds of which shall be 2753
retained by the county. 2754

(D) Upon filing of the notice with the county recorder, 2755
the provisions of division (B) of this section are binding on 2756
all future owners of the property or portion of the property, 2757
regardless of how the property is used. Failure to file the 2758
notice with the county recorder relieves future owners of the 2759
property from the obligation to make service payments in lieu of 2760
taxes under section 725.04, 5709.42, 5709.46, 5709.74, or 2761
5709.79 of the Revised Code or service charges in lieu of taxes 2762
under section 1728.11 or 1728.111 of the Revised Code, if the 2763
property or a portion of the property later qualifies for 2764
exemption under any other provision of the Revised Code. Failure 2765
to file the notice does not, however, relieve the owner of the 2766
property, at the time the application for exemption is filed, 2767
from making those payments or charges. 2768

Sec. 5709.913. (A) As used in this section: 2769

(1) "Base real property" means the land, structures and 2770
buildings, or portions of structures and buildings, that 2771
existed, and in the condition in which they existed, for the tax 2772
year in which the ordinance or resolution creating the incentive 2773
district referred to in division (B) of this section was enacted 2774
or adopted, as reflected in the exempt tax list or the general 2775
tax list and duplicate of real and public utility property. 2776

(2) "Sexennial reappraisal and triennial update" means the 2777
reappraisal and update referred to in section 5715.24 of the 2778
Revised Code. 2779

(B) This section applies to any parcel of real property 2780

that is located within an incentive district created by a 2781
municipal corporation or township under section 5709.40 or 2782
5709.73 of the Revised Code or within a downtown redevelopment 2783
district created by a municipal corporation under section 2784
5709.45 of the Revised Code, and concerning which the municipal 2785
corporation or township applied for an exemption from taxation 2786
on behalf of the property owner under section 5709.911 of the 2787
Revised Code. 2788

(C) Each time a county auditor's sexennial reappraisal or 2789
triennial update of the assessed value of a parcel of real 2790
property to which this section applies results in an increase in 2791
such assessed value, the county auditor shall determine the 2792
following amounts: 2793

(1) The amount of the increase in assessed value that is 2794
attributable to the base real property; 2795

(2) The amount determined under division (C) (1) of this 2796
section multiplied by the percentage of improvements in the 2797
~~incentive~~ district to be exempted from taxation under section 2798
5709.40, 5709.45, or 5709.73 of the Revised Code, as applicable; 2799

(3) The product of the amount calculated under division 2800
(C) (2) of this section multiplied by the rate of the taxes 2801
levied by the county within the ten-mill limitation the proceeds 2802
of which are deposited in the county general fund; 2803

(4) The product of the amount calculated under division 2804
(C) (3) of this section multiplied by one-half. 2805

(D) For any tax year that the owner of a parcel of real 2806
property referred to in division (B) of this section is required 2807
to make service payments in lieu of taxes under section 5709.42, 2808
5709.46, or 5709.74 of the Revised Code, a portion of the total 2809

amount of payments made for the year equal to the amount 2810
calculated under division (C) (4) of this section shall be 2811
distributed to the county treasury to the credit of the county 2812
general fund in lieu of distribution to the municipal public 2813
improvement tax increment equivalent fund, municipal downtown 2814
redevelopment district fund, or the township public improvement 2815
tax increment equivalent fund, as applicable. If the service 2816
payments for the year are paid in two installments, the required 2817
distribution to the county treasury also shall be made in two 2818
installments. 2819

(E) (1) Division (D) of this section does not apply if the 2820
municipal corporation or township enters into an agreement with 2821
the county that provides that such division does not apply. The 2822
agreement may provide for payments to the county by the 2823
municipal corporation or township. 2824

(2) Upon entering into an agreement under division (E) (1) 2825
of this section, the municipal corporation or township shall 2826
provide written notice of it to the county auditor of the county 2827
that is a party to the agreement and the tax commissioner. 2828

(F) With respect to a parcel of real property to which 2829
this section applies, the tax commissioner shall notify the 2830
county auditor of the county in which the parcel is located when 2831
a municipal corporation or township has applied for an exemption 2832
from taxation on behalf of the property owner and the exemption 2833
has been granted under section 5715.27 of the Revised Code. 2834

Sec. 5715.27. (A) (1) Except as provided in division (A) (2) 2835
of this section and in section 3735.67 of the Revised Code, the 2836
owner, a vendee in possession under a purchase agreement or a 2837
land contract, the beneficiary of a trust, or a lessee for an 2838
initial term of not less than thirty years of any property may 2839

file an application with the tax commissioner, on forms 2840
prescribed by the commissioner, requesting that such property be 2841
exempted from taxation and that taxes, interest, and penalties 2842
be remitted as provided in division (C) of section 5713.08 of 2843
the Revised Code. 2844

(2) If the property that is the subject of the application 2845
for exemption is any of the following, the application shall be 2846
filed with the county auditor of the county in which the 2847
property is listed for taxation: 2848

(a) A public road or highway; 2849

(b) Property belonging to the federal government of the 2850
United States; 2851

(c) Additions or other improvements to an existing 2852
building or structure that belongs to the state or a political 2853
subdivision, as defined in section 5713.081 of the Revised Code, 2854
and that is exempted from taxation as property used exclusively 2855
for a public purpose; 2856

(d) Property of the boards of trustees and of the housing 2857
commissions of the state universities, the northeastern Ohio 2858
universities college of medicine, and of the state to be 2859
exempted under section 3345.17 of the Revised Code. 2860

(B) The board of education of any school district may 2861
request the tax commissioner or county auditor to provide it 2862
with notification of applications for exemption from taxation 2863
for property located within that district. If so requested, the 2864
commissioner or auditor shall send to the board on a monthly 2865
basis reports that contain sufficient information to enable the 2866
board to identify each property that is the subject of an 2867
exemption application, including, but not limited to, the name 2868

of the property owner or applicant, the address of the property, 2869
and the auditor's parcel number. The commissioner or auditor 2870
shall mail the reports by the fifteenth day of the month 2871
following the end of the month in which the commissioner or 2872
auditor receives the applications for exemption. 2873

(C) A board of education that has requested notification 2874
under division (B) of this section may, with respect to any 2875
application for exemption of property located in the district 2876
and included in the commissioner's or auditor's most recent 2877
report provided under that division, file a statement with the 2878
commissioner or auditor and with the applicant indicating its 2879
intent to submit evidence and participate in any hearing on the 2880
application. The statements shall be filed prior to the first 2881
day of the third month following the end of the month in which 2882
that application was docketed by the commissioner or auditor. A 2883
statement filed in compliance with this division entitles the 2884
district to submit evidence and to participate in any hearing on 2885
the property and makes the district a party for purposes of 2886
sections 5717.02 to 5717.04 of the Revised Code in any appeal of 2887
the commissioner's or auditor's decision to the board of tax 2888
appeals. 2889

(D) The commissioner or auditor shall not hold a hearing 2890
on or grant or deny an application for exemption of property in 2891
a school district whose board of education has requested 2892
notification under division (B) of this section until the end of 2893
the period within which the board may submit a statement with 2894
respect to that application under division (C) of this section. 2895
The commissioner or auditor may act upon an application at any 2896
time prior to that date upon receipt of a written waiver from 2897
each such board of education, or, in the case of exemptions 2898
authorized by section 725.02, 1728.10, 5709.40, 5709.41, 2899

5709.411, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 2900
5709.84, or 5709.88 of the Revised Code, upon the request of the 2901
property owner. Failure of a board of education to receive the 2902
report required in division (B) of this section shall not void 2903
an action of the commissioner or auditor with respect to any 2904
application. The commissioner or auditor may extend the time for 2905
filing a statement under division (C) of this section. 2906

(E) A complaint may also be filed with the commissioner or 2907
auditor by any person, board, or officer authorized by section 2908
5715.19 of the Revised Code to file complaints with the county 2909
board of revision against the continued exemption of any 2910
property granted exemption by the commissioner or auditor under 2911
this section. 2912

(F) An application for exemption and a complaint against 2913
exemption shall be filed prior to the thirty-first day of 2914
December of the tax year for which exemption is requested or for 2915
which the liability of the property to taxation in that year is 2916
requested. The commissioner or auditor shall consider such 2917
application or complaint in accordance with procedures 2918
established by the commissioner, determine whether the property 2919
is subject to taxation or exempt therefrom, and, if the 2920
commissioner makes the determination, certify the determination 2921
to the auditor. Upon making the determination or receiving the 2922
commissioner's determination, the auditor shall correct the tax 2923
list and duplicate accordingly. If a tax certificate has been 2924
sold under section 5721.32 or 5721.33 of the Revised Code with 2925
respect to property for which an exemption has been requested, 2926
the tax commissioner or auditor shall also certify the findings 2927
to the county treasurer of the county in which the property is 2928
located. 2929

(G) Applications and complaints, and documents of any kind 2930
related to applications and complaints, filed with the tax 2931
commissioner or county auditor under this section are public 2932
records within the meaning of section 149.43 of the Revised 2933
Code. 2934

(H) If the commissioner or auditor determines that the use 2935
of property or other facts relevant to the taxability of 2936
property that is the subject of an application for exemption or 2937
a complaint under this section has changed while the application 2938
or complaint was pending, the commissioner or auditor may make 2939
the determination under division (F) of this section separately 2940
for each tax year beginning with the year in which the 2941
application or complaint was filed or the year for which 2942
remission of taxes under division (C) of section 5713.08 of the 2943
Revised Code was requested, and including each subsequent tax 2944
year during which the application or complaint is pending before 2945
the commissioner or auditor. 2946

Section 2. That existing sections 133.04, 133.06, 149.311, 2947
709.024, 709.19, 3317.021, 4582.56, 5501.311, 5709.12, 5709.121, 2948
5709.82, 5709.83, 5709.831, 5709.832, 5709.85, 5709.91, 2949
5709.911, 5709.913, and 5715.27 of the Revised Code are hereby 2950
repealed. 2951

Section 3. The amendment by this act of section 5709.121 2952
of the Revised Code applies to tax years ending on or after the 2953
effective date of this act. 2954

Section 4. The General Assembly, applying the principle 2955
stated in division (B) of section 1.52 of the Revised Code that 2956
amendments are to be harmonized if reasonably capable of 2957
simultaneous operation, finds that the following sections, 2958
presented in this act as composites of the sections as amended 2959

by the acts indicated, are the resulting versions of the 2960
sections in effect prior to the effective date of the sections 2961
as presented in this act: 2962

Section 149.311 of the Revised Code as amended by both Am. 2963
Sub. H.B. 483 and Am. Sub. H.B. 486 of the 130th General 2964
Assembly. 2965

Section 5709.12 of the Revised Code as amended by both Am. 2966
Sub. H.B. 483 and Sub. S.B. 172 of the 130th General Assembly. 2967