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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

Senators Tavares, Bacon, Balderson, Beagle, Brown, Burke, Cafaro, Eklund, Gentile, Hite, LaRose, Manning, Oelslager, Patton, Peterson, Schiavoni, Seitz, Thomas, Uecker, Williams

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 that is open to the 16
public and that belongs to a public or 17
charitable organization, and to authorize 18
collections of a special lodging tax that may be 19
levied by certain counties to be used to not 20
only construct, but to acquire or equip, a port 21
authority facility. 22

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

Section 1. That sections 133.04, 133.06, 149.311, 709.024, 23
709.19, 3317.021, 4582.56, 5501.311, 5709.12, 5709.121, 5709.82, 24
5709.83, 5709.831, 5709.832, 5709.85, 5709.91, 5709.911, 25
5709.913, and 5715.27 be amended and sections 1710.14, 1724.12, 26
5709.45, 5709.46, and 5709.47 of the Revised Code be enacted to 27
read as follows: 28

Sec. 133.04. (A) As used in this chapter, "net 29
indebtedness" means, as determined pursuant to this section, the 30
principal amount of the outstanding securities of a subdivision 31
less the amount held in a bond retirement fund to the extent 32
such amount is not taken into account in determining the 33
principal amount outstanding under division (AA) of section 34
133.01 of the Revised Code. For purposes of this definition, the 35
principal amount of outstanding securities includes the 36
principal amount of outstanding securities of another 37
subdivision apportioned to the subdivision as a result of 38
acquisition of territory, and excludes the principal amount of 39
outstanding securities of the subdivision apportioned to another 40
subdivision as a result of loss of territory and the payment or 41
reimbursement obligations of the subdivision under credit 42
enhancement facilities relating to outstanding securities. 43

(B) In calculating the net indebtedness of a subdivision, 44

none of the following securities, including anticipatory securities issued in anticipation of their issuance, shall be considered:

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

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

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

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

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

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

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

(8) That percentage of the principal amount of general obligation securities issued by a county, township, or municipal corporation to pay the costs of permanent improvements equal to the percentage of the debt charges on those securities payable

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

(9) Securities issued in an amount equal to the property 88
tax replacement payments received under section 5727.85 or 89
5727.86 of the Revised Code; 90

(10) Securities issued in an amount equal to the property 91
tax replacement payments received under section 5751.21 or 92
5751.22 of the Revised Code; 93

(11) Other securities, including self-supporting 94
securities, excepted by law from the calculation of net 95
indebtedness or from the application of this chapter; 96

(12) Securities issued under section 133.083 of the 97
Revised Code for the purpose of acquiring, constructing, 98
improving, or equipping any permanent improvement to the extent 99
that the legislation authorizing the issuance pledges tourism 100
development district revenue to the payment of debt charges on 101
the securities and contains a covenant to appropriate from 102
tourism development district revenue a sufficient amount to 103
cover debt charges or the financing costs related to the 104
securities as they become due; 105

(13) Any other securities outstanding on October 30, 1989, 106
and then excepted from the calculation of net indebtedness or 107

from the application of this chapter, and securities issued at 108
any time to fund or refund those securities. 109

Sec. 133.06. (A) A school district shall not incur, 110
without a vote of the electors, net indebtedness that exceeds an 111
amount equal to one-tenth of one per cent of its tax valuation, 112
except as provided in divisions (G) and (H) of this section and 113
in division (D) of section 3313.372 of the Revised Code, or as 114
prescribed in section 3318.052 or 3318.44 of the Revised Code, 115
or as provided in division (J) of this section. 116

(B) Except as provided in divisions (E), (F), and (I) of 117
this section, a school district shall not incur net indebtedness 118
that exceeds an amount equal to nine per cent of its tax 119
valuation. 120

(C) A school district shall not submit to a vote of the 121
electors the question of the issuance of securities in an amount 122
that will make the district's net indebtedness after the 123
issuance of the securities exceed an amount equal to four per 124
cent of its tax valuation, unless the superintendent of public 125
instruction, acting under policies adopted by the state board of 126
education, and the tax commissioner, acting under written 127
policies of the commissioner, consent to the submission. A 128
request for the consents shall be made at least one hundred 129
twenty days prior to the election at which the question is to be 130
submitted. 131

The superintendent of public instruction shall certify to 132
the district the superintendent's and the tax commissioner's 133
decisions within thirty days after receipt of the request for 134
consents. 135

If the electors do not approve the issuance of securities 136
at the election for which the superintendent of public 137
instruction and tax commissioner consented to the submission of 138
the question, the school district may submit the same question 139

to the electors on the date that the next special election may 140
be held under section 3501.01 of the Revised Code without 141
submitting a new request for consent. If the school district 142
seeks to submit the same question at any other subsequent 143
election, the district shall first submit a new request for 144
consent in accordance with this division. 145

(D) In calculating the net indebtedness of a school 146
district, none of the following shall be considered: 147

(1) Securities issued to acquire school buses and other 148
equipment used in transporting pupils or issued pursuant to 149
division (D) of section 133.10 of the Revised Code; 150

(2) Securities issued under division (F) of this section, 151
under section 133.301 of the Revised Code, and, to the extent in 152
excess of the limitation stated in division (B) of this section, 153
under division (E) of this section; 154

(3) Indebtedness resulting from the dissolution of a joint 155
vocational school district under section 3311.217 of the Revised 156
Code, evidenced by outstanding securities of that joint 157
vocational school district; 158

(4) Loans, evidenced by any securities, received under 159
sections 3313.483, 3317.0210, and 3317.0211 of the Revised Code; 160

(5) Debt incurred under section 3313.374 of the Revised 161
Code; 162

(6) Debt incurred pursuant to division (B) (5) of section 163
3313.37 of the Revised Code to acquire computers and related 164
hardware; 165

(7) Debt incurred under section 3318.042 of the Revised 166
Code. 167

(E) A school district may become a special needs district 168
as to certain securities as provided in division (E) of this 169

section.	170
(1) A board of education, by resolution, may declare its	171
school district to be a special needs district by determining	172
both of the following:	173
(a) The student population is not being adequately	174
serviced by the existing permanent improvements of the district.	175
(b) The district cannot obtain sufficient funds by the	176
issuance of securities within the limitation of division (B) of	177
this section to provide additional or improved needed permanent	178
improvements in time to meet the needs.	179
(2) The board of education shall certify a copy of that	180
resolution to the superintendent of public instruction with a	181
statistical report showing all of the following:	182
(a) The history of and a projection of the growth of the	183
tax valuation;	184
(b) The projected needs;	185
(c) The estimated cost of permanent improvements proposed	186
to meet such projected needs.	187
(3) The superintendent of public instruction shall certify	188
the district as an approved special needs district if the	189
superintendent finds both of the following:	190
(a) The district does not have available sufficient	191
additional funds from state or federal sources to meet the	192
projected needs.	193
(b) The projection of the potential average growth of tax	194
valuation during the next five years, according to the	195
information certified to the superintendent and any other	196
information the superintendent obtains, indicates a likelihood	197
of potential average growth of tax valuation of the district	198
during the next five years of an average of not less than one	199

and one-half per cent per year. The findings and certification 200
of the superintendent shall be conclusive. 201

(4) An approved special needs district may incur net 202
indebtedness by the issuance of securities in accordance with 203
the provisions of this chapter in an amount that does not exceed 204
an amount equal to the greater of the following: 205

(a) Twelve per cent of the sum of its tax valuation plus 206
an amount that is the product of multiplying that tax valuation 207
by the percentage by which the tax valuation has increased over 208
the tax valuation on the first day of the sixtieth month 209
preceding the month in which its board determines to submit to 210
the electors the question of issuing the proposed securities; 211

(b) Twelve per cent of the sum of its tax valuation plus 212
an amount that is the product of multiplying that tax valuation 213
by the percentage, determined by the superintendent of public 214
instruction, by which that tax valuation is projected to 215
increase during the next ten years. 216

(F) A school district may issue securities for emergency 217
purposes, in a principal amount that does not exceed an amount 218
equal to three per cent of its tax valuation, as provided in 219
this division. 220

(1) A board of education, by resolution, may declare an 221
emergency if it determines both of the following: 222

(a) School buildings or other necessary school facilities 223
in the district have been wholly or partially destroyed, or 224
condemned by a constituted public authority, or that such 225
buildings or facilities are partially constructed, or so 226
constructed or planned as to require additions and improvements 227
to them before the buildings or facilities are usable for their 228
intended purpose, or that corrections to permanent improvements 229
are necessary to remove or prevent health or safety hazards. 230

(b) Existing fiscal and net indebtedness limitations make	231
adequate replacement, additions, or improvements impossible.	232
(2) Upon the declaration of an emergency, the board of	233
education may, by resolution, submit to the electors of the	234
district pursuant to section 133.18 of the Revised Code the	235
question of issuing securities for the purpose of paying the	236
cost, in excess of any insurance or condemnation proceeds	237
received by the district, of permanent improvements to respond	238
to the emergency need.	239
(3) The procedures for the election shall be as provided	240
in section 133.18 of the Revised Code, except that:	241
(a) The form of the ballot shall describe the emergency	242
existing, refer to this division as the authority under which	243
the emergency is declared, and state that the amount of the	244
proposed securities exceeds the limitations prescribed by	245
division (B) of this section;	246
(b) The resolution required by division (B) of section	247
133.18 of the Revised Code shall be certified to the county	248
auditor and the board of elections at least one hundred days	249
prior to the election;	250
(c) The county auditor shall advise and, not later than	251
ninety-five days before the election, confirm that advice by	252
certification to, the board of education of the information	253
required by division (C) of section 133.18 of the Revised Code;	254
(d) The board of education shall then certify its	255
resolution and the information required by division (D) of	256
section 133.18 of the Revised Code to the board of elections not	257
less than ninety days prior to the election.	258
(4) Notwithstanding division (B) of section 133.21 of the	259
Revised Code, the first principal payment of securities issued	260
under this division may be set at any date not later than sixty	261

months after the earliest possible principal payment otherwise 262
provided for in that division. 263

(G) (1) The board of education may contract with an 264
architect, professional engineer, or other person experienced in 265
the design and implementation of energy conservation measures 266
for an analysis and recommendations pertaining to installations, 267
modifications of installations, or remodeling that would 268
significantly reduce energy consumption in buildings owned by 269
the district. The report shall include estimates of all costs of 270
such installations, modifications, or remodeling, including 271
costs of design, engineering, installation, maintenance, 272
repairs, measurement and verification of energy savings, and 273
debt service, forgone residual value of materials or equipment 274
replaced by the energy conservation measure, as defined by the 275
Ohio school facilities commission, a baseline analysis of actual 276
energy consumption data for the preceding three years with the 277
utility baseline based on only the actual energy consumption 278
data for the preceding twelve months, and estimates of the 279
amounts by which energy consumption and resultant operational 280
and maintenance costs, as defined by the commission, would be 281
reduced. 282

If the board finds after receiving the report that the 283
amount of money the district would spend on such installations, 284
modifications, or remodeling is not likely to exceed the amount 285
of money it would save in energy and resultant operational and 286
maintenance costs over the ensuing fifteen years, the board may 287
submit to the commission a copy of its findings and a request 288
for approval to incur indebtedness to finance the making or 289
modification of installations or the remodeling of buildings for 290
the purpose of significantly reducing energy consumption. 291

The school facilities commission, in consultation with the 292
auditor of state, may deny a request under this division by the 293
board of education of any school district that is in a state of 294

fiscal watch pursuant to division (A) of section 3316.03 of the Revised Code, if it determines that the expenditure of funds is not in the best interest of the school district.

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

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

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

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

(b) The request for approval is complete.

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

Upon receipt of the commission's approval, the district 326
may issue securities without a vote of the electors in a 327
principal amount not to exceed nine-tenths of one per cent of 328
its tax valuation for the purpose of making such installations, 329
modifications, or remodeling, but the total net indebtedness of 330
the district without a vote of the electors incurred under this 331
and all other sections of the Revised Code, except section 332
3318.052 of the Revised Code, shall not exceed one per cent of 333
the district's tax valuation. 334

(3) So long as any securities issued under this division 335
remain outstanding, the board of education shall monitor the 336
energy consumption and resultant operational and maintenance 337
costs of buildings in which installations or modifications have 338
been made or remodeling has been done pursuant to this division. 339
Except as provided in division (G)(4) of this section, the board 340
shall maintain and annually update a report in a form and manner 341
prescribed by the school facilities commission documenting the 342
reductions in energy consumption and resultant operational and 343
maintenance cost savings attributable to such installations, 344
modifications, or remodeling. The resultant operational and 345
maintenance cost savings shall be certified by the school 346
district treasurer. The report shall be submitted annually to 347
the commission. 348

(4) If the school facilities commission verifies that the 349
certified annual reports submitted to the commission by a board 350
of education under division (G)(3) of this section fulfill the 351
guarantee required under division (B) of section 3313.372 of the 352
Revised Code for three consecutive years, the board of education 353
shall no longer be subject to the annual reporting requirements 354
of division (G)(3) of this section. 355

(H) With the consent of the superintendent of public 356
instruction, a school district may incur without a vote of the 357
electors net indebtedness that exceeds the amounts stated in 358

divisions (A) and (G) of this section for the purpose of paying 359
costs of permanent improvements, if and to the extent that both 360
of the following conditions are satisfied: 361

(1) The fiscal officer of the school district estimates 362
that receipts of the school district from payments made under or 363
pursuant to agreements entered into pursuant to section 725.02, 364
1728.10, 3735.671, 5709.081, 5709.082, 5709.40, 5709.41, 365
5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, or 366
5709.82 of the Revised Code, or distributions under division (C) 367
of section 5709.43 or division (B) of section 5709.47 of the 368
Revised Code, or any combination thereof, are, after accounting 369
for any appropriate coverage requirements, sufficient in time 370
and amount, and are committed by the proceedings, to pay the 371
debt charges on the securities issued to evidence that 372
indebtedness and payable from those receipts, and the taxing 373
authority of the district confirms the fiscal officer's 374
estimate, which confirmation is approved by the superintendent 375
of public instruction; 376

(2) The fiscal officer of the school district certifies, 377
and the taxing authority of the district confirms, that the 378
district, at the time of the certification and confirmation, 379
reasonably expects to have sufficient revenue available for the 380
purpose of operating such permanent improvements for their 381
intended purpose upon acquisition or completion thereof, and the 382
superintendent of public instruction approves the taxing 383
authority's confirmation. 384

The maximum maturity of securities issued under division 385
(H) of this section shall be the lesser of twenty years or the 386
maximum maturity calculated under section 133.20 of the Revised 387
Code. 388

(I) A school district may incur net indebtedness by the 389
issuance of securities in accordance with the provisions of this 390

chapter in excess of the limit specified in division (B) or (C) 391
of this section when necessary to raise the school district 392
portion of the basic project cost and any additional funds 393
necessary to participate in a project under Chapter 3318. of the 394
Revised Code, including the cost of items designated by the 395
school facilities commission as required locally funded 396
initiatives, the cost of other locally funded initiatives in an 397
amount that does not exceed fifty per cent of the district's 398
portion of the basic project cost, and the cost for site 399
acquisition. The commission shall notify the superintendent of 400
public instruction whenever a school district will exceed either 401
limit pursuant to this division. 402

(J) A school district whose portion of the basic project 403
cost of its classroom facilities project under sections 3318.01 404
to 3318.20 of the Revised Code is greater than or equal to one 405
hundred million dollars may incur without a vote of the electors 406
net indebtedness in an amount up to two per cent of its tax 407
valuation through the issuance of general obligation securities 408
in order to generate all or part of the amount of its portion of 409
the basic project cost if the controlling board has approved the 410
school facilities commission's conditional approval of the 411
project under section 3318.04 of the Revised Code. The school 412
district board and the Ohio school facilities commission shall 413
include the dedication of the proceeds of such securities in the 414
agreement entered into under section 3318.08 of the Revised 415
Code. No state moneys shall be released for a project to which 416
this section applies until the proceeds of any bonds issued 417
under this section that are dedicated for the payment of the 418
school district portion of the project are first deposited into 419
the school district's project construction fund. 420

Sec. 149.311. (A) As used in this section: 421

(1) "Historic building" means a building, including its 422
structural components, that is located in this state and that is 423

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" means the state historic preservation officer appointed by the governor under 16 U.S.C. 470a.

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

(B) The owner or qualified lessee of an historic building 487
may apply to the director of development services for a 488
rehabilitation tax credit certificate for qualified 489
rehabilitation expenditures paid or incurred by such owner or 490
qualified lessee after April 4, 2007, for rehabilitation of an 491
historic building. If the owner of an historic building enters a 492
pass-through agreement with a qualified lessee for the purposes 493
of the federal rehabilitation tax credit under 26 U.S.C. 47, the 494
qualified rehabilitation expenditures paid or incurred by the 495
owner after April 4, 2007, may be attributed to the qualified 496
lessee. 497

The form and manner of filing such applications shall be 498
prescribed by rule of the director. Each application shall state 499
the amount of qualified rehabilitation expenditures the 500
applicant estimates will be paid or incurred. The director may 501
require applicants to furnish documentation of such estimates. 502

The director, after consultation with the tax commissioner 503
and in accordance with Chapter 119. of the Revised Code, shall 504
adopt rules that establish all of the following: 505

(1) Forms and procedures by which applicants may apply for 506
rehabilitation tax credit certificates; 507

(2) Criteria for reviewing, evaluating, and approving 508
applications for certificates within the limitations under 509
division (D) of this section, criteria for assuring that the 510
certificates issued encompass a mixture of high and low 511
qualified rehabilitation expenditures, and criteria for issuing 512
certificates under division (C) (3) (b) of this section; 513

(3) Eligibility requirements for obtaining a certificate 514
under this section; 515

(4) The form of rehabilitation tax credit certificates; 516

(5) Reporting requirements and monitoring procedures; 517

(6) Procedures and criteria for conducting cost-benefit analyses of historic buildings that are the subjects of applications filed under this section. The purpose of a cost-benefit analysis shall be to determine whether rehabilitation of the historic building will result in a net revenue gain in state and local taxes once the building is used.

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

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

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

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

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

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

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

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

(D) (1) If the director of development services determines 549
that an application meets the criteria in divisions (C) (1), (2), 550
and (3) of this section, the director shall conduct a cost- 551
benefit analysis for the historic building that is the subject 552
of the application to determine whether rehabilitation of the 553
historic building will result in a net revenue gain in state and 554
local taxes once the building is used. The director shall 555
consider the results of the cost-benefit analysis in determining 556
whether to approve the application. The director shall also 557
consider the potential economic impact and the regional 558
distributive balance of the credits throughout the state. The 559
director may approve an application only after completion of the 560
cost-benefit analysis. 561

(2) A rehabilitation tax credit certificate shall not be 562
issued for an amount greater than the estimated amount furnished 563
by the applicant on the application for such certificate and 564
approved by the director. The director shall not approve more 565
than a total of sixty million dollars of rehabilitation tax 566
credits per fiscal year but the director may reallocate unused 567
tax credits from a prior fiscal year for new applicants and such 568
reallocated credits shall not apply toward the dollar limit of 569
this division. 570

(3) For rehabilitations with a rehabilitation period not 571
exceeding twenty-four months as provided in division (A) (8) (a) 572
of this section, a rehabilitation tax credit certificate shall 573
not be issued before the rehabilitation of the historic building 574
is completed. 575

(4) For rehabilitations with a rehabilitation period not 576
exceeding sixty months as provided in division (A) (8) (b) of this 577
section, a rehabilitation tax credit certificate shall not be 578
issued before a stage of rehabilitation is completed. After all 579
stages of rehabilitation are completed, if the director cannot 580
determine that the criteria in division (C) of this section are 581

satisfied for all stages of rehabilitations, the director shall 582
certify this finding to the tax commissioner, and any 583
rehabilitation tax credits received by the applicant shall be 584
repaid by the applicant and may be collected by assessment as 585
unpaid tax by the commissioner. 586

(5) The director of development services shall require the 587
applicant to provide a third-party cost certification by a 588
certified public accountant of the actual costs attributed to 589
the rehabilitation of the historic building when qualified 590
rehabilitation expenditures exceed two hundred thousand dollars. 591

If an applicant whose application is approved for receipt 592
of a rehabilitation tax credit certificate fails to provide to 593
the director sufficient evidence of reviewable progress, 594
including a viable financial plan, copies of final construction 595
drawings, and evidence that the applicant has obtained all 596
historic approvals within twelve months after the date the 597
applicant received notification of approval, and if the 598
applicant fails to provide evidence to the director that the 599
applicant has secured and closed on financing for the 600
rehabilitation within eighteen months after receiving 601
notification of approval, the director may rescind the approval 602
of the application. The director shall notify the applicant if 603
the approval has been rescinded. Credits that would have been 604
available to an applicant whose approval was rescinded shall be 605
available for other qualified applicants. Nothing in this 606
division prohibits an applicant whose approval has been 607
rescinded from submitting a new application for a rehabilitation 608
tax credit certificate. 609

(6) The director of development services may approve the 610
application of, and issue a rehabilitation tax credit 611
certificate to, the owner of a catalytic project, provided the 612
application otherwise meets the criteria described in divisions 613
(C) and (D) of this section. The director may not issue more 614

than one rehabilitation tax credit certificate under division 615
(D) (6) of this section during each state fiscal biennium. The 616
director shall consider the following criteria in determining 617
whether to issue a certificate under division (D) (6) of this 618
section: 619

(a) Whether the historic building is a catalytic project; 620

(b) The effect issuance of the certificate would have on 621
the availability of credits for other applicants that qualify 622
for a credit certificate within the credit dollar limit 623
described in division (D) (2) of this section; 624

(c) The number of jobs, if any, the catalytic project will 625
create. 626

(7) (a) The owner or qualified lessee of a historic 627
building may apply for a rehabilitation tax credit certificate 628
under both divisions (B) and (D) (6) of this section. In such a 629
case, the director of development services shall consider each 630
application at the time the application is submitted. 631

(b) The director of development services shall not issue 632
more than one certificate under this section with respect to the 633
same qualified rehabilitation expenditures. 634

(E) Issuance of a certificate represents a finding by the 635
director of development services of the matters described in 636
divisions (C) (1), (2), and (3) of this section only; issuance of 637
a certificate does not represent a verification or certification 638
by the director of the amount of qualified rehabilitation 639
expenditures for which a tax credit may be claimed under section 640
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, or 5747.76 of the 641
Revised Code. The amount of qualified rehabilitation 642
expenditures for which a tax credit may be claimed is subject to 643
inspection and examination by the tax commissioner or employees 644
of the commissioner under section 5703.19 of the Revised Code 645
and any other applicable law. Upon the issuance of a 646

certificate, the director shall certify to the tax commissioner, 647
in the form and manner requested by the tax commissioner, the 648
name of the applicant, the amount of qualified rehabilitation 649
expenditures shown on the certificate, and any other information 650
required by the rules adopted under this section. 651

(F) (1) On or before the first day of August each year, the 652
director of development services and tax commissioner jointly 653
shall submit to the president of the senate and the speaker of 654
the house of representatives a report on the tax credit program 655
established under this section and sections 5725.151, 5725.34, 656
5726.52, 5729.17, 5733.47, and 5747.76 of the Revised Code. The 657
report shall present an overview of the program and shall 658
include information on the number of rehabilitation tax credit 659
certificates issued under this section during the preceding 660
fiscal year, an update on the status of each historic building 661
for which an application was approved under this section, the 662
dollar amount of the tax credits granted under sections 663
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, and 5747.76 of the 664
Revised Code, and any other information the director and 665
commissioner consider relevant to the topics addressed in the 666
report. 667

(2) On or before December 1, 2015, the director of 668
development services and tax commissioner jointly shall submit 669
to the president of the senate and the speaker of the house of 670
representatives a comprehensive report that includes the 671
information required by division (F) (1) of this section and a 672
detailed analysis of the effectiveness of issuing tax credits 673
for rehabilitating historic buildings. The report shall be 674
prepared with the assistance of an economic research 675
organization jointly chosen by the director and commissioner. 676

(G) There is hereby created in the state treasury the 677
historic rehabilitation tax credit operating fund. The director 678
of development services is authorized to charge reasonable 679

application and other fees in connection with the administration 680
of tax credits authorized by this section and sections 5725.151, 681
5725.34, 5726.52, 5729.17, 5733.47, and 5747.76 of the Revised 682
Code. Any such fees collected shall be credited to the fund and 683
used to pay reasonable costs incurred by the department of 684
development services in administering this section and sections 685
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, and 5747.76 of the 686
Revised Code. 687

The Ohio historic preservation office is authorized to 688
charge reasonable fees in connection with its review and 689
approval of applications under this section. Any such fees 690
collected shall be credited to the fund and used to pay 691
administrative costs incurred by the Ohio historic preservation 692
office pursuant to this section. 693

(H) Notwithstanding sections 5725.151, 5725.34, 5726.52, 694
5729.17, 5733.47, and 5747.76 of the Revised Code, the 695
certificate owner of a tax credit certificate issued under 696
division (D) (6) of this section may claim a tax credit equal to 697
twenty-five per cent of the dollar amount indicated on the 698
certificate for a total credit of not more than twenty-five 699
million dollars. The credit claimed by such a certificate owner 700
for any calendar year, tax year, or taxable year under section 701
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, or 5747.76 of the 702
Revised Code shall not exceed five million dollars. If the 703
certificate owner is eligible for more than five million dollars 704
in total credits, the certificate owner may carry forward the 705
balance of the credit in excess of the amount claimed for that 706
year for not more than five ensuing calendar years, tax years, 707
or taxable years. If the credit claimed in any calendar year, 708
tax year, or taxable year exceeds the tax otherwise due, the 709
excess shall be refunded to the taxpayer. 710

(I) The director of development services, in consultation 711
with the director of budget and management, shall develop and 712

adopt a system of tracking any information necessary to 713
anticipate the impact of credits issued under this section on 714
tax revenues for current and future fiscal years. Such 715
information may include the number of applications approved, the 716
estimated rehabilitation expenditures and rehabilitation period 717
associated with such applications, the number and amount of tax 718
credit certificates issued, and any other information the 719
director of budget and management requires for the purposes of 720
this division. 721

Sec. 709.024. (A) A petition filed under section 709.021 722
of the Revised Code that requests to follow this section is for 723
the special procedure of annexing land into a municipal 724
corporation for the purpose of undertaking a significant 725
economic development project. As used in this section, 726
"significant economic development project" means one or more 727
economic development projects that can be classified as 728
industrial, distribution, high technology, research and 729
development, or commercial, which projects may include ancillary 730
residential and retail uses and which projects shall satisfy all 731
of the following: 732

(1) Total private real and personal property investment in 733
a project shall be in excess of ten million dollars through land 734
and infrastructure, new construction, reconstruction, 735
installation of fixtures and equipment, or the addition of 736
inventory, excluding investment solely related to the ancillary 737
residential and retail elements, if any, of the project. As used 738
in this division, "private real and personal property 739
investment" does not include payments in lieu of taxes, however 740
characterized, under Chapter 725. or 1728. or sections 5709.40 741
to 5709.43, 5709.45 to 5709.47, 5709.73 to 5709.75, or 5709.78 742
to 5709.81 of the Revised Code. 743

(2) There shall be created by the project an additional 744
annual payroll in excess of one million dollars, excluding 745

payroll arising solely out of the retail elements, if any, of 746
the project. 747

(3) The project has been certified by the state director 748
of development as meeting the requirements of divisions (A) (1) 749
and (2) of this section. 750

(B) Upon the filing of the petition under section 709.021 751
of the Revised Code in the office of the clerk of the board of 752
county commissioners, the clerk shall cause the petition to be 753
entered upon the journal of the board at its next regular 754
session. This entry shall be the first official act of the board 755
on the petition. Within five days after the filing of the 756
petition, the agent for the petitioners shall notify in the 757
manner and form specified in this division the clerk of the 758
legislative authority of the municipal corporation to which 759
annexation is proposed, the fiscal officer of each township any 760
portion of which is included within the territory proposed for 761
annexation, the clerk of the board of county commissioners of 762
each county in which the territory proposed for annexation is 763
located other than the county in which the petition is filed, 764
and the owners of property adjacent to the territory proposed 765
for annexation or adjacent to a road that is adjacent to that 766
territory and located directly across that road from that 767
territory. The notice shall refer to the time and date when the 768
petition was filed and the county in which it was filed and 769
shall have attached or shall be accompanied by a copy of the 770
petition and any attachments or documents accompanying the 771
petition as filed. 772

Notice to a property owner is sufficient if sent by 773
regular United States mail to the tax mailing address listed on 774
the county auditor's records. Notice to the appropriate 775
government officer shall be given by certified mail, return 776
receipt requested, or by causing the notice to be personally 777
served on the officer, with proof of service by affidavit of the 778

person who delivered the notice. Proof of service of the notice 779
on each appropriate government officer shall be filed with the 780
board of county commissioners with which the petition was filed. 781

(C) (1) Within thirty days after the petition is filed, the 782
legislative authority of the municipal corporation to which 783
annexation is proposed and each township any portion of which is 784
included within the territory proposed for annexation may adopt 785
and file with the board of county commissioners an ordinance or 786
resolution consenting or objecting to the proposed annexation. 787
An objection to the proposed annexation shall be based solely 788
upon the petition's failure to meet the conditions specified in 789
division (F) of this section. Failure of the municipal 790
corporation or any of those townships to timely file an 791
ordinance or resolution consenting or objecting to the proposed 792
annexation shall be deemed to constitute consent by that 793
municipal corporation or township to the proposed annexation. 794

(2) Within twenty days after receiving the notice required 795
by division (B) of this section, the legislative authority of 796
the municipal corporation shall adopt, by ordinance or 797
resolution, a statement indicating what services the municipal 798
corporation will provide or cause to be provided, and an 799
approximate date by which it will provide or cause them to be 800
provided, to the territory proposed for annexation, upon 801
annexation. If a hearing is to be conducted under division (E) 802
of this section, the legislative authority shall file the 803
statement with the clerk of the board of county commissioners at 804
least twenty days before the date of the hearing. 805

(D) If all parties to the annexation proceedings consent 806
to the proposed annexation, a hearing shall not be held, and the 807
board, at its next regular session, shall enter upon its journal 808
a resolution granting the annexation. There is no appeal in law 809
or in equity from the board's entry of a resolution under this 810
division. The clerk of the board shall proceed as provided in 811

division (C) (1) of section 709.033 of the Revised Code. 812

(E) Unless the petition is granted under division (D) of 813
this section, a hearing shall be held on the petition. The board 814
of county commissioners shall hear the petition at its next 815
regular session and shall notify the agent for the petitioners 816
of the hearing's date, time, and place. The agent for the 817
petitioners shall give, within five days after receipt of the 818
notice of the hearing from the board, to the parties and 819
property owners entitled to notice under division (B) of this 820
section, notice of the date, time, and place of the hearing. 821
Notice to a property owner is sufficient if sent by regular 822
United States mail to the tax mailing address listed on the 823
county auditor's records. At the hearing, the parties and any 824
owner of real estate within the territory proposed to be annexed 825
are entitled to appear for the purposes described in division 826
(C) of section 709.032 of the Revised Code. 827

(F) Within thirty days after a hearing under division (E) 828
of this section, the board of county commissioners shall enter 829
upon its journal a resolution granting or denying the proposed 830
annexation. The resolution shall include specific findings of 831
fact as to whether or not each of the conditions listed in this 832
division has been met. If the board grants the annexation, the 833
clerk of the board shall proceed as provided in division (C) (1) 834
of section 709.033 of the Revised Code. 835

The board shall enter a resolution granting the annexation 836
if it finds, based upon a preponderance of the substantial, 837
reliable, and probative evidence on the whole record, that each 838
of the following conditions has been met: 839

(1) The petition meets all the requirements set forth in, 840
and was filed in the manner provided in, section 709.021 of the 841
Revised Code. 842

(2) The persons who signed the petition are owners of real 843

estate located in the territory proposed to be annexed in the 844
petition and constitute all of the owners of real estate in that 845
territory. 846

(3) No street or highway will be divided or segmented by 847
the boundary line between a township and the municipal 848
corporation as to create a road maintenance problem, or if the 849
street or highway will be so divided or segmented, the municipal 850
corporation has agreed, as a condition of the annexation, that 851
it will assume the maintenance of that street or highway. For 852
the purposes of this division, "street" or "highway" has the 853
same meaning as in section 4511.01 of the Revised Code. 854

(4) The municipal corporation to which the territory is 855
proposed to be annexed has adopted an ordinance or resolution as 856
required by division (C) (2) of this section. 857

(5) The state director of development has certified that 858
the project meets the requirements of divisions (A) (1) and (2) 859
of this section and thereby qualifies as a significant economic 860
development project. The director's certification is binding on 861
the board of county commissioners. 862

(G) An owner who signed the petition may appeal a decision 863
of the board of county commissioners denying the proposed 864
annexation under section 709.07 of the Revised Code. No other 865
person has standing to appeal the board's decision in law or in 866
equity. If the board grants the annexation, there shall be no 867
appeal in law or in equity. 868

(H) Notwithstanding anything to the contrary in section 869
503.07 of the Revised Code, unless otherwise provided in an 870
annexation agreement entered into pursuant to section 709.192 of 871
the Revised Code or in a cooperative economic development 872
agreement entered into pursuant to section 701.07 of the Revised 873
Code, territory annexed into a municipal corporation pursuant to 874
this section shall not at any time be excluded from the township 875

under section 503.07 of the Revised Code and, thus, remains 876
subject to the township's real property taxes. 877

(I) A municipal corporation to which annexation is 878
proposed is entitled in its sole discretion to provide to the 879
territory proposed for annexation, upon annexation, services in 880
addition to the services described in the ordinance or 881
resolution adopted by the legislative authority of the municipal 882
corporation under division (C) (2) of this section. 883

Sec. 709.19. (A) As used in this section: 884

(1) "International airport" means any airport that is: 885

(a) Designated as an international airport or a landing 886
rights airport by the United States secretary of the treasury; 887

(b) Owned and operated by a municipal corporation; 888

(c) An unincorporated area not contiguous to the municipal 889
corporation that owns it. 890

(2) "Commercial," "industrial," "residential," and 891
"retail," in relation to property, mean property classified as 892
such by the tax commissioner for the purposes of valuing 893
property for taxation, except that "commercial," in relation to 894
property, does not include any property classified as "retail." 895

(B) If unincorporated territory is annexed to a municipal 896
corporation and excluded from a township under section 503.07 of 897
the Revised Code, upon exclusion of that territory, the 898
municipal corporation that annexed the territory shall make 899
payments to the township from which the territory was annexed 900
only as provided in this section, except that, if the 901
legislative authority of the municipal corporation enters into 902
an agreement under section 701.07, 709.191, or 709.192 of the 903
Revised Code with the township from which the territory was 904
annexed that makes alternate provisions regarding payments by 905
the municipal corporation, then the payment provisions in that 906

agreement shall apply in lieu of the provisions of this section. 907

(C) (1) Except as provided in division (C) (2) of this 908
section, the municipal corporation that annexed the territory 909
shall make the following payments to the township from which the 910
territory was annexed with respect to commercial and industrial 911
real, personal, and public utility property taxes using the 912
property valuation for the year that the payment is due: 913

(a) In the first through third years following the 914
annexation and exclusion of the territory from the township, 915
eighty per cent of the township taxes in the annexed territory 916
that would have been due the township for commercial and 917
industrial real, personal, and public utility property taxes if 918
no annexation had occurred; 919

(b) In the fourth and fifth years following the annexation 920
and the exclusion of the territory from the township, sixty- 921
seven and one-half per cent of the township taxes in the annexed 922
territory that would have been due the township for commercial 923
and industrial real, personal, and public utility property taxes 924
if no annexation had occurred; 925

(c) In the sixth and seventh years following the 926
annexation and exclusion of the territory from the township, 927
sixty-two and one-half per cent of the township taxes in the 928
annexed territory that would have been due the township for 929
commercial and industrial real, personal, and public utility 930
property taxes if no annexation had occurred; 931

(d) In the eighth and ninth years following the annexation 932
and exclusion of the territory from the township, fifty-seven 933
and one-half per cent of the township taxes in the annexed 934
territory that would have been due the township for commercial 935
and industrial real, personal, and public utility property taxes 936
if no annexation had occurred; 937

(e) In the tenth through twelfth years following the 938

annexation and exclusion of the territory from the township, 939
forty-two and one-half per cent of the township taxes in the 940
annexed territory that would have been due the township for 941
commercial and industrial real, personal, and public utility 942
property taxes if no annexation had occurred. 943

(2) If there has been an exemption by the municipal 944
corporation of commercial and industrial real, personal, or 945
public utility property taxes pursuant to section 725.02, 946
1728.10, 3735.67, 5709.40, 5709.41, 5709.45, 5709.62, or 5709.88 947
of the Revised Code, there shall be no reduction in the payments 948
owed to the township due to that exemption. The municipal 949
corporation shall make payments to the township under division 950
(C)(1) of this section, calculated as if the exemption had not 951
occurred. 952

(D) The municipal corporation that annexed the territory 953
shall make the following payments to the township from which the 954
territory was annexed with respect to residential and retail 955
real property taxes using the property valuation for the year 956
that the payment is due: 957

(1) In the first through third years following the 958
annexation and exclusion of the territory from the township, 959
eighty per cent of the township taxes in the annexed territory 960
that would have been due the township for residential and retail 961
real property taxes if no annexation had occurred; 962

(2) In the fourth and fifth years following the annexation 963
and exclusion of the territory from the township, fifty-two and 964
one-half per cent of the township taxes in the annexed territory 965
that would have been due the township for residential and retail 966
real property taxes if no annexation had occurred; 967

(3) In the sixth through tenth years following the 968
annexation and exclusion of the territory from the township, 969
forty per cent of the township taxes in the annexed territory 970

that would have been due the township for residential and retail real property taxes if no annexation had occurred;

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

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

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

(2) The chief executive of a municipal corporation that annexes territory pursuant to this division may enter into a

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

Sec. 1710.14. The board of directors of a special 1012
improvement district in which all or part of a downtown 1013
redevelopment district is located may accept contributions from 1014
the municipal corporation that created the downtown 1015
redevelopment district pursuant to division (E) (2) of section 1016
5709.45 of the Revised Code. The board shall use all such 1017
contributions to promote the downtown redevelopment district to 1018
potential business patrons, to recruit businesses to relocate or 1019
expand to the downtown redevelopment district, and to attract 1020
and promote events and activities that generate revenue or 1021
enhance public welfare within the downtown redevelopment 1022
district. The board shall periodically report to the legislative 1023
authority of the municipal corporation on the expenditure of the 1024
contributions and plans for the utilization of future 1025
contributions. If any contributions received by a special 1026
improvement district under this section remain after the 1027
dissolution or expiration of the downtown redevelopment 1028
district, the board shall pay the remaining amount to the 1029
contributing municipal corporation, which shall credit the money 1030
to its general fund. 1031

Sec. 1724.12. The board of directors of a community 1032
improvement corporation in which all or a part of a downtown 1033
redevelopment district is located may accept contributions from 1034
the municipal corporation that created the district pursuant to 1035

division (E) (2) of section 5709.45 of the Revised Code. The 1036
board shall use all such contributions to promote the downtown 1037
redevelopment district to potential business patrons, to recruit 1038
businesses to relocate or expand to the downtown redevelopment 1039
district, and to attract and promote events and activities that 1040
generate revenue or enhance public welfare within the downtown 1041
redevelopment district. The board shall periodically report to 1042
the legislative authority of the municipal corporation on the 1043
expenditure of the contributions and plans for the utilization 1044
of future contributions. If any contributions received by a 1045
community improvement corporation under this section remain 1046
after the dissolution or expiration of the downtown 1047
redevelopment district, the board shall pay the remaining amount 1048
to the contributing municipal corporation, which shall credit 1049
the money to its general fund. 1050

Sec. 3317.021. (A) On or before the first day of June of 1051
each year, the tax commissioner shall certify to the department 1052
of education and the office of budget and management the 1053
information described in divisions (A) (1) to (5) of this section 1054
for each city, exempted village, and local school district, and 1055
the information required by divisions (A) (1) and (2) of this 1056
section for each joint vocational school district, and it shall 1057
be used, along with the information certified under division (B) 1058
of this section, in making the computations for the district 1059
under this chapter. 1060

(1) The taxable value of real and public utility real 1061
property in the school district subject to taxation in the 1062
preceding tax year, by class and by county of location. 1063

(2) The taxable value of tangible personal property, 1064
including public utility personal property, subject to taxation 1065
by the district for the preceding tax year. 1066

(3) (a) The total property tax rate and total taxes charged 1067

and payable for the current expenses for the preceding tax year 1068
and the total property tax rate and the total taxes charged and 1069
payable to a joint vocational district for the preceding tax 1070
year that are limited to or to the extent apportioned to current 1071
expenses. 1072

(b) The portion of the amount of taxes charged and payable 1073
reported for each city, local, and exempted village school 1074
district under division (A) (3) (a) of this section attributable 1075
to a joint vocational school district. 1076

(4) The value of all real and public utility real property 1077
in the school district exempted from taxation minus both of the 1078
following: 1079

(a) The value of real and public utility real property in 1080
the district owned by the United States government and used 1081
exclusively for a public purpose; 1082

(b) The value of real and public utility real property in 1083
the district exempted from taxation under Chapter 725. or 1728. 1084
or section 3735.67, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 1085
5709.632, 5709.73, or 5709.78 of the Revised Code. 1086

(5) The total federal adjusted gross income of the 1087
residents of the school district, based on tax returns filed by 1088
the residents of the district, for the most recent year for 1089
which this information is available, and the median Ohio 1090
adjusted gross income of the residents of the school district 1091
determined on the basis of tax returns filed for the second 1092
preceding tax year by the residents of the district. 1093

(B) On or before the first day of May each year, the tax 1094
commissioner shall certify to the department of education and 1095
the office of budget and management the total taxable real 1096
property value of railroads and, separately, the total taxable 1097
tangible personal property value of all public utilities for the 1098
preceding tax year, by school district and by county of 1099

location. 1100

(C) If a public utility has properly and timely filed a 1101
petition for reassessment under section 5727.47 of the Revised 1102
Code with respect to an assessment issued under section 5727.23 1103
of the Revised Code affecting taxable property apportioned by 1104
the tax commissioner to a school district, the taxable value of 1105
public utility tangible personal property included in the 1106
certification under divisions (A) (2) and (B) of this section for 1107
the school district shall include only the amount of taxable 1108
value on the basis of which the public utility paid tax for the 1109
preceding year as provided in division (B) (1) or (2) of section 1110
5727.47 of the Revised Code. 1111

(D) If on the basis of the information certified under 1112
division (A) of this section, the department determines that any 1113
district fails in any year to meet the qualification requirement 1114
specified in division (A) of section 3317.01 of the Revised 1115
Code, the department shall immediately request the tax 1116
commissioner to determine the extent to which any school 1117
district income tax levied by the district under Chapter 5748. 1118
of the Revised Code shall be included in meeting that 1119
requirement. Within five days of receiving such a request from 1120
the department, the tax commissioner shall make the 1121
determination required by this division and report the quotient 1122
obtained under division (D) (3) of this section to the department 1123
and the office of budget and management. This quotient 1124
represents the number of mills that the department shall include 1125
in determining whether the district meets the qualification 1126
requirement of division (A) of section 3317.01 of the Revised 1127
Code. 1128

The tax commissioner shall make the determination required 1129
by this division as follows: 1130

(1) Multiply one mill times the total taxable value of the 1131

district as determined in divisions (A) (1) and (2) of this 1132
section; 1133

(2) Estimate the total amount of tax liability for the 1134
current tax year under taxes levied by Chapter 5748. of the 1135
Revised Code that are apportioned to current operating expenses 1136
of the district, excluding any income tax receipts allocated for 1137
the project cost, debt service, or maintenance set-aside 1138
associated with a state-assisted classroom facilities project as 1139
authorized by section 3318.052 of the Revised Code; 1140

(3) Divide the amount estimated under division (D) (2) of 1141
this section by the product obtained under division (D) (1) of 1142
this section. 1143

Sec. 4582.56. (A) As used in this section: 1144

(1) "Eligible county" means a county whose territory 1145
includes a part of Lake Erie the shoreline of which represents 1146
at least fifty per cent of the linear length of the county's 1147
border with other counties of this state. 1148

(2) "Lakeshore improvement project" means construction of 1149
a port authority facility within one mile of the Lake Erie 1150
shoreline in an eligible county. 1151

(3) "Construction" includes acquisition, alteration, 1152
construction, creation, development, enlargement, equipment, 1153
improvement, installation, reconstruction, remodeling, 1154
renovation, or any combination thereof. 1155

(B) The board of directors of a port authority may enter 1156
into an agreement with the board of county commissioners of an 1157
eligible county that created the port authority providing for 1158
all of the following, and any other terms mutually agreeable to 1159
the boards: 1160

(1) The board of county commissioners levies an excise tax 1161
under division (M) of section 5739.09 of the Revised Code and 1162

pledges all the revenue from the tax to the port authority for 1163
the purpose of financing lakeshore improvement projects 1164
including the payment of debt charges on any securities issued 1165
under division (C) of this section. 1166

(2) The port authority constructs or finances the 1167
construction of lakeshore improvements and pays the costs of 1168
such projects with revenue from the tax pledged under the 1169
agreement. Such construction or financing is an authorized 1170
purpose for the purposes of division (B) of section 4582.21 of 1171
~~this section~~ the Revised Code. 1172

(3) The port authority may not enter into any contract or 1173
other obligation regarding a lakeshore improvement project 1174
before obtaining the approval for the project by the board of 1175
county commissioners by a resolution of the board. 1176

(C) The board of directors of a port authority that enters 1177
into an agreement under this section may issue port authority 1178
special obligation bonds, and notes anticipating the proceeds of 1179
the bonds, in the principal amount that, in the opinion of the 1180
board, are necessary for the purpose of paying the costs of one 1181
or more lakeshore improvement projects or parts of one or more 1182
projects and interest on the bonds payable over the term of the 1183
issue. The board may refund any special obligation bonds by the 1184
issuance of special obligation refunding bonds regardless of 1185
whether the bonds to be refunded have or have not matured. The 1186
refunding bonds shall be sold, and the proceeds needed for such 1187
purpose applied, in the manner provided in the bond proceedings. 1188

Every issue of special obligation bonds issued under this 1189
section shall be payable from the revenue from the tax levied 1190
under division (M) of section 5739.09 of the Revised Code and 1191
pledged for such payment under the agreement. The pledge shall 1192
be valid and binding from the time the pledge is made, and the 1193
revenue so pledged and received by the port authority shall be 1194

subject to the lien of the pledge without any physical delivery 1195
of the revenue or any further act. The lien of any pledge is 1196
valid and binding as against all parties having claims of any 1197
kind in tort, contract, or otherwise against the port authority, 1198
whether or not such parties have notice of the lien. Neither the 1199
resolution nor any trust agreement by which a pledge is created 1200
need be filed or recorded except in the port authority's 1201
records. 1202

Whether or not the bonds are of such form and character as 1203
to be negotiable instruments under Title XIII of the Revised 1204
Code, the bonds shall have all the qualities and incidents of 1205
negotiable instruments, subject only to their provisions for 1206
registration, if any. 1207

Bonds issued under this section shall bear such date or 1208
dates, and shall mature at such time or times not exceeding 1209
thirty years from the date of issue of the original bonds and 1210
shall be executed in the manner that the resolution authorizing 1211
the bonds may provide. The bonds shall bear interest at such 1212
rates, or at variable rate or rates changing from time to time, 1213
in accordance with provisions provided in the authorizing 1214
resolution, shall be in such denominations and form, either 1215
coupon or registered, shall carry such registration privileges, 1216
shall be payable in such medium of payment and at such place or 1217
places, and be subject to such terms of redemption, as the board 1218
of directors of the port authority may authorize or provide. The 1219
bonds may be sold at public or private sale, and at, or at not 1220
less than, the price or prices as the board determines. If any 1221
officer whose signature or a facsimile of whose signature 1222
appears on any bonds or coupons ceases to be such officer before 1223
delivery of the bonds, the signature or facsimile shall 1224
nevertheless be sufficient for all purposes as if the officer 1225
had remained in office until delivery of the bonds, and in case 1226
the seal of the authority has been changed after a facsimile has 1227

been imprinted on the bonds, the facsimile seal will continue to 1228
be sufficient for all purposes. 1229

Any resolution authorizing bonds under this section may 1230
contain provisions governing the use and disposition of revenue 1231
pledged under the agreement under division (B) of this section; 1232
the crediting of the proceeds of the sale of the bonds to and 1233
among the funds referred to or provided for in the resolution; 1234
limitations on the purpose to which the proceeds of sale of the 1235
bonds may be applied and the pledging of portions of such 1236
proceeds to secure payment of the bonds; the issuance of notes 1237
in anticipation of the issuance of bonds; the terms upon which 1238
additional bonds may be issued and secured; the refunding of 1239
outstanding bonds; the procedure, if any, by which the terms of 1240
any contract with bondholders may be amended, the amount of 1241
bonds the holders of which must consent thereto, and the manner 1242
in which such consent may be given; securing any bonds by a 1243
trust agreement in accordance with division (D) of this section; 1244
and any other matters that may affect the security or protection 1245
of the bonds. The taxes anticipated by the bonds are not subject 1246
to diminution by initiative or referendum or by law while the 1247
bonds or notes remain outstanding in accordance with their 1248
terms, unless provision is made by law or by the board of county 1249
commissioners and board of directors of the port authority for 1250
an adequate substitute therefor reasonably satisfactory to the 1251
trustee, if a trust agreement secures the bonds. 1252

Neither the members of the board of directors of the port 1253
authority nor any person executing the bonds shall be liable 1254
personally on the bonds or be subject to any personal liability 1255
or accountability by reason of the issuance. 1256

(D) In the discretion of the board of directors, the bonds 1257
issued under this section may be secured by a trust agreement 1258
between the board of directors on behalf of the port authority 1259
and a corporate trustee, which may be any trust company or bank 1260

having powers of a trust company, within or outside the state. 1261

The trust agreement may provide for the pledge or 1262
assignment of the tax revenue to be received under the agreement 1263
entered into under division (B) of this section, but shall not 1264
pledge the general credit or other taxing power of the county or 1265
the general credit or taxing power of the port authority. The 1266
trust agreement or the resolution providing for the issuance of 1267
the bonds may set forth the rights and remedies of the 1268
bondholders and trustee, and may contain other provisions for 1269
protecting and enforcing their rights and remedies that are 1270
determined in the discretion of the board of directors to be 1271
reasonable and proper. 1272

Sec. 5501.311. (A) Notwithstanding sections 123.01 and 1273
127.16 of the Revised Code the director of transportation may 1274
lease or lease-purchase all or any part of a transportation 1275
facility to or from one or more persons, one or more 1276
governmental agencies, a transportation improvement district, or 1277
any combination thereof, and may grant leases, easements, or 1278
licenses for lands under the control of the department of 1279
transportation. The director may adopt rules necessary to give 1280
effect to this section. 1281

(B) Plans and specifications for the construction of a 1282
transportation facility under a lease or lease-purchase 1283
agreement are subject to approval of the director and must meet 1284
or exceed all applicable standards of the department. 1285

(C) Any lease or lease-purchase agreement under which the 1286
department is the lessee shall be for a period not exceeding the 1287
then current two-year period for which appropriations have been 1288
made by the general assembly to the department, and such 1289
agreement may contain such other terms as the department and the 1290
other parties thereto agree, notwithstanding any other provision 1291
of law, including provisions that rental payments in amounts 1292

sufficient to pay bond service charges payable during the 1293
current two-year lease term shall be an absolute and 1294
unconditional obligation of the department independent of all 1295
other duties under the agreement without set-off or deduction or 1296
any other similar rights or defenses. Any such agreement may 1297
provide for renewal of the agreement at the end of each term for 1298
another term, not exceeding two years, provided that no renewal 1299
shall be effective until the effective date of an appropriation 1300
enacted by the general assembly from which the department may 1301
lawfully pay rentals under such agreement. Any such agreement 1302
may include, without limitation, any agreement by the department 1303
with respect to any costs of transportation facilities to be 1304
included prior to acquisition and construction of such 1305
transportation facilities. Any such agreement shall not 1306
constitute a debt or pledge of the faith and credit of the 1307
state, or of any political subdivision of the state, and the 1308
lessor shall have no right to have taxes or excises levied by 1309
the general assembly, or the taxing authority of any political 1310
subdivision of the state, for the payment of rentals thereunder. 1311
Any such agreement shall contain a statement to that effect. 1312

(D) A municipal corporation, township, or county may use 1313
service payments in lieu of taxes credited to special funds or 1314
accounts pursuant to sections 5709.43, 5709.47, 5709.75, and 1315
5709.80 of the Revised Code to provide its contribution to the 1316
cost of a transportation facility, provided such facility was 1317
among the purposes for which such service payments were 1318
authorized. The contribution may be in the form of a lump sum or 1319
periodic payments. 1320

(E) Pursuant to the "Telecommunications Act of 1996," 110 1321
Stat. 152, 47 U.S.C. 332 note, the director may grant a lease, 1322
easement, or license in a transportation facility to a 1323
telecommunications service provider for construction, placement, 1324
or operation of a telecommunications facility. An interest 1325

granted under this division is subject to all of the following 1326
conditions: 1327

(1) The transportation facility is owned in fee simple or 1328
easement by this state at the time the lease, easement, or 1329
license is granted to the telecommunications provider. 1330

(2) The lease, easement, or license shall be granted on a 1331
competitive basis in accordance with policies and procedures to 1332
be determined by the director. The policies and procedures may 1333
include provisions for master leases for multiple sites. 1334

(3) The telecommunications facility shall be designed to 1335
accommodate the state's multi-agency radio communication system, 1336
the intelligent transportation system, and the department's 1337
communication system as the director may determine is necessary 1338
for highway or other departmental purposes. 1339

(4) The telecommunications facility shall be designed to 1340
accommodate such additional telecommunications equipment as may 1341
feasibly be co-located thereon as determined in the discretion 1342
of the director. 1343

(5) The telecommunications service providers awarded the 1344
lease, easement, or license, agree to permit other 1345
telecommunications service providers to co-locate on the 1346
telecommunications facility, and agree to the terms and 1347
conditions of the co-location as determined in the discretion of 1348
the director. 1349

(6) The director shall require indemnity agreements in 1350
favor of the department as a condition of any lease, easement, 1351
or license granted under this division. Each indemnity agreement 1352
shall secure this state and its agents from liability for 1353
damages arising out of safety hazards, zoning, and any other 1354
matter of public interest the director considers necessary. 1355

(7) The telecommunications service provider fully complies 1356

with any permit issued under section 5515.01 of the Revised Code 1357
pertaining to land that is the subject of the lease, easement, 1358
or license. 1359

(8) All plans and specifications shall meet with the 1360
director's approval. 1361

(9) Any other conditions the director determines 1362
necessary. 1363

(F) In accordance with section 5501.031 of the Revised 1364
Code, to further efforts to promote energy conservation and 1365
energy efficiency, the director may grant a lease, easement, or 1366
license in a transportation facility to a utility service 1367
provider that has received its certificate from the Ohio power 1368
siting board or appropriate local entity for construction, 1369
placement, or operation of an alternative energy generating 1370
facility service provider as defined in section 4928.64 of the 1371
Revised Code. An interest granted under this division is subject 1372
to all of the following conditions: 1373

(1) The transportation facility is owned in fee simple or 1374
in easement by this state at the time the lease, easement, or 1375
license is granted to the utility service provider. 1376

(2) The lease, easement, or license shall be granted on a 1377
competitive basis in accordance with policies and procedures to 1378
be determined by the director. The policies and procedures may 1379
include provisions for master leases for multiple sites. 1380

(3) The alternative energy generating facility shall be 1381
designed to provide energy for the department's transportation 1382
facilities with the potential for selling excess power on the 1383
power grid, as the director may determine is necessary for 1384
highway or other departmental purposes. 1385

(4) The director shall require indemnity agreements in 1386
favor of the department as a condition of any lease, easement, 1387

or license granted under this division. Each indemnity agreement 1388
shall secure this state from liability for damages arising out 1389
of safety hazards, zoning, and any other matter of public 1390
interest the director considers necessary. 1391

(5) The alternative energy service provider fully complies 1392
with any permit issued by the Ohio power siting board under 1393
Chapter 4906. of the Revised Code and complies with section 1394
5515.01 of the Revised Code pertaining to land that is the 1395
subject of the lease, easement, or license. 1396

(6) All plans and specifications shall meet with the 1397
director's approval. 1398

(7) Any other conditions the director determines 1399
necessary. 1400

(G) Money the department receives under this section shall 1401
be deposited into the state treasury to the credit of the 1402
highway operating fund. 1403

(H) A lease, easement, or license granted under division 1404
(E) or (F) of this section, and any telecommunications facility 1405
or alternative energy generating facility relating to such 1406
interest in a transportation facility, is hereby deemed to 1407
further the essential highway purpose of building and 1408
maintaining a safe, energy-efficient, and accessible 1409
transportation system. 1410

Sec. 5709.12. (A) As used in this section, "independent 1411
living facilities" means any residential housing facilities and 1412
related property that are not a nursing home, residential care 1413
facility, or residential facility as defined in division (A) of 1414
section 5701.13 of the Revised Code. 1415

(B) Lands, houses, and other buildings belonging to a 1416
county, township, or municipal corporation and used exclusively 1417
for the accommodation or support of the poor, or leased to the 1418

state or any political subdivision for public purposes shall be 1419
exempt from taxation. Real and tangible personal property 1420
belonging to institutions that is used exclusively for 1421
charitable purposes shall be exempt from taxation, including 1422
real property belonging to an institution that is a nonprofit 1423
corporation that receives a grant under the Thomas Alva Edison 1424
grant program authorized by division (C) of section 122.33 of 1425
the Revised Code at any time during the tax year and being held 1426
for leasing or resale to others. If, at any time during a tax 1427
year for which such property is exempted from taxation, the 1428
corporation ceases to qualify for such a grant, the director of 1429
development shall notify the tax commissioner, and the tax 1430
commissioner shall cause the property to be restored to the tax 1431
list beginning with the following tax year. All property owned 1432
and used by a nonprofit organization exclusively for a home for 1433
the aged, as defined in section 5701.13 of the Revised Code, 1434
also shall be exempt from taxation. 1435

(C) (1) If a home for the aged described in division (B) (1) 1436
of section 5701.13 of the Revised Code is operated in 1437
conjunction with or at the same site as independent living 1438
facilities, the exemption granted in division (B) of this 1439
section shall include kitchen, dining room, clinic, entry ways, 1440
maintenance and storage areas, and land necessary for access 1441
commonly used by both residents of the home for the aged and 1442
residents of the independent living facilities. Other facilities 1443
commonly used by both residents of the home for the aged and 1444
residents of independent living units shall be exempt from 1445
taxation only if the other facilities are used primarily by the 1446
residents of the home for the aged. Vacant land currently unused 1447
by the home, and independent living facilities and the lands 1448
connected with them are not exempt from taxation. Except as 1449
provided in division (A) (1) of section 5709.121 of the Revised 1450
Code, property of a home leased for nonresidential purposes is 1451
not exempt from taxation. 1452

(2) Independent living facilities are exempt from taxation 1453
if they are operated in conjunction with or at the same site as 1454
a home for the aged described in division (B) (2) of section 1455
5701.13 of the Revised Code; operated by a corporation, 1456
association, or trust described in division (B) (1) (b) of that 1457
section; operated exclusively for the benefit of members of the 1458
corporation, association, or trust who are retired, aged, or 1459
infirm; and provided to those members without charge in 1460
consideration of their service, without compensation, to a 1461
charitable, religious, fraternal, or educational institution. 1462
For the purposes of division (C) (2) of this section, 1463
"compensation" does not include furnishing room and board, 1464
clothing, health care, or other necessities, or stipends or 1465
other de minimis payments to defray the cost thereof. 1466

(D) (1) A private corporation established under federal 1467
law, as defined in 36 U.S.C. 1101, Pub. L. No. 102-199, 105 1468
Stat. 1629, as amended, the objects of which include encouraging 1469
the advancement of science generally, or of a particular branch 1470
of science, the promotion of scientific research, the 1471
improvement of the qualifications and usefulness of scientists, 1472
or the increase and diffusion of scientific knowledge is 1473
conclusively presumed to be a charitable or educational 1474
institution. A private corporation established as a nonprofit 1475
corporation under the laws of a state that is exempt from 1476
federal income taxation under section 501(c) (3) of the Internal 1477
Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C.A. 1, as amended, 1478
and that has as its principal purpose one or more of the 1479
foregoing objects also is conclusively presumed to be a 1480
charitable or educational institution. 1481

The fact that an organization described in this division 1482
operates in a manner that results in an excess of revenues over 1483
expenses shall not be used to deny the exemption granted by this 1484
section, provided such excess is used, or is held for use, for 1485

exempt purposes or to establish a reserve against future 1486
contingencies; and, provided further, that such excess may not 1487
be distributed to individual persons or to entities that would 1488
not be entitled to the tax exemptions provided by this chapter. 1489
Nor shall the fact that any scientific information diffused by 1490
the organization is of particular interest or benefit to any of 1491
its individual members be used to deny the exemption granted by 1492
this section, provided that such scientific information is 1493
available to the public for purchase or otherwise. 1494

(2) Division (D) (2) of this section does not apply to real 1495
property exempted from taxation under this section and division 1496
(A) (3) of section 5709.121 of the Revised Code and belonging to 1497
a nonprofit corporation described in division (D) (1) of this 1498
section that has received a grant under the Thomas Alva Edison 1499
grant program authorized by division (C) of section 122.33 of 1500
the Revised Code during any of the tax years the property was 1501
exempted from taxation. 1502

When a private corporation described in division (D) (1) of 1503
this section sells all or any portion of a tract, lot, or parcel 1504
of real estate that has been exempt from taxation under this 1505
section and section 5709.121 of the Revised Code, the portion 1506
sold shall be restored to the tax list for the year following 1507
the year of the sale and, except in connection with a sale and 1508
transfer of such a tract, lot, or parcel to a county land 1509
reutilization corporation organized under Chapter 1724. of the 1510
Revised Code, a charge shall be levied against the sold property 1511
in an amount equal to the tax savings on such property during 1512
the four tax years preceding the year the property is placed on 1513
the tax list. The tax savings equals the amount of the 1514
additional taxes that would have been levied if such property 1515
had not been exempt from taxation. 1516

The charge constitutes a lien of the state upon such 1517
property as of the first day of January of the tax year in which 1518

the charge is levied and continues until discharged as provided 1519
by law. The charge may also be remitted for all or any portion 1520
of such property that the tax commissioner determines is 1521
entitled to exemption from real property taxation for the year 1522
such property is restored to the tax list under any provision of 1523
the Revised Code, other than sections 725.02, 1728.10, 3735.67, 1524
5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.71, 5709.73, 1525
5709.78, and 5709.84, upon an application for exemption covering 1526
the year such property is restored to the tax list filed under 1527
section 5715.27 of the Revised Code. 1528

(E) Real property held by an organization organized and 1529
operated exclusively for charitable purposes as described under 1530
section 501(c)(3) of the Internal Revenue Code and exempt from 1531
federal taxation under section 501(a) of the Internal Revenue 1532
Code, 26 U.S.C.A. 501(a) and (c)(3), as amended, for the purpose 1533
of constructing or rehabilitating residences for eventual 1534
transfer to qualified low-income families through sale, lease, 1535
or land installment contract, shall be exempt from taxation. 1536

The exemption shall commence on the day title to the 1537
property is transferred to the organization and shall continue 1538
to the end of the tax year in which the organization transfers 1539
title to the property to a qualified low-income family. In no 1540
case shall the exemption extend beyond the second succeeding tax 1541
year following the year in which the title was transferred to 1542
the organization. If the title is transferred to the 1543
organization and from the organization to a qualified low-income 1544
family in the same tax year, the exemption shall continue to the 1545
end of that tax year. The proportionate amount of taxes that are 1546
a lien but not yet determined, assessed, and levied for the tax 1547
year in which title is transferred to the organization shall be 1548
remitted by the county auditor for each day of the year that 1549
title is held by the organization. 1550

Upon transferring the title to another person, the 1551

organization shall file with the county auditor an affidavit 1552
affirming that the title was transferred to a qualified low- 1553
income family or that the title was not transferred to a 1554
qualified low-income family, as the case may be; if the title 1555
was transferred to a qualified low-income family, the affidavit 1556
shall identify the transferee by name. If the organization 1557
transfers title to the property to anyone other than a qualified 1558
low-income family, the exemption, if it has not previously 1559
expired, shall terminate, and the property shall be restored to 1560
the tax list for the year following the year of the transfer and 1561
a charge shall be levied against the property in an amount equal 1562
to the amount of additional taxes that would have been levied if 1563
such property had not been exempt from taxation. The charge 1564
constitutes a lien of the state upon such property as of the 1565
first day of January of the tax year in which the charge is 1566
levied and continues until discharged as provided by law. 1567

The application for exemption shall be filed as otherwise 1568
required under section 5715.27 of the Revised Code, except that 1569
the organization holding the property shall file with its 1570
application documentation substantiating its status as an 1571
organization organized and operated exclusively for charitable 1572
purposes under section 501(c)(3) of the Internal Revenue Code 1573
and its qualification for exemption from federal taxation under 1574
section 501(a) of the Internal Revenue Code, and affirming its 1575
intention to construct or rehabilitate the property for the 1576
eventual transfer to qualified low-income families. 1577

As used in this division, "qualified low-income family" 1578
means a family whose income does not exceed two hundred per cent 1579
of the official federal poverty guidelines as revised annually 1580
in accordance with section 673(2) of the "Omnibus Budget 1581
Reconciliation Act of 1981," 95 Stat. 511, 42 U.S.C.A. 9902, as 1582
amended, for a family size equal to the size of the family whose 1583
income is being determined. 1584

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

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

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

(2) An exemption authorized under division (F) (1) of this section shall commence on the day title to the property is transferred to the corporation or electing subdivision and shall continue to the end of the tax year in which the instrument transferring title from the corporation or subdivision to another owner is recorded, if the use to which the other owner puts the property does not qualify for an exemption under this

section or any other section of the Revised Code. If the title 1618
to the property is transferred to the corporation and from the 1619
corporation, or to the subdivision and from the subdivision, in 1620
the same tax year, the exemption shall continue to the end of 1621
that tax year. The proportionate amount of taxes that are a lien 1622
but not yet determined, assessed, and levied for the tax year in 1623
which title is transferred to the corporation or subdivision 1624
shall be remitted by the county auditor for each day of the year 1625
that title is held by the corporation or subdivision. 1626

Upon transferring the title to another person, the 1627
corporation or electing subdivision shall file with the county 1628
auditor an affidavit or conveyance form affirming that the title 1629
was transferred to such other person and shall identify the 1630
transferee by name. If the corporation or subdivision transfers 1631
title to the property to anyone that does not qualify or the use 1632
to which the property is put does not qualify the property for 1633
an exemption under this section or any other section of the 1634
Revised Code, the exemption, if it has not previously expired, 1635
shall terminate, and the property shall be restored to the tax 1636
list for the year following the year of the transfer. A charge 1637
shall be levied against the property in an amount equal to the 1638
amount of additional taxes that would have been levied if such 1639
property had not been exempt from taxation. The charge 1640
constitutes a lien of the state upon such property as of the 1641
first day of January of the tax year in which the charge is 1642
levied and continues until discharged as provided by law. 1643

In lieu of the application for exemption otherwise 1644
required to be filed as required under section 5715.27 of the 1645
Revised Code, a county land reutilization corporation holding 1646
the property shall, upon the request of any county or state 1647
agency, submit its articles of incorporation substantiating its 1648
status as a county land reutilization corporation. 1649

(G) Real property that is owned by an organization 1650

described under section 501(c)(3) of the Internal Revenue Code 1651
and exempt from federal income taxation under section 501(a) of 1652
the Internal Revenue Code and that is used by that organization 1653
exclusively for receiving, processing, or distributing human 1654
blood, tissues, eyes, or organs or for research and development 1655
thereof shall be exempt from taxation. 1656

Sec. 5709.121. (A) Real property and tangible personal 1657
property belonging to a charitable or educational institution or 1658
to the state or a political subdivision, shall be considered as 1659
used exclusively for charitable or public purposes by such 1660
institution, the state, or political subdivision, if it meets 1661
one of the following requirements: 1662

(1) It is used by such institution, the state, or 1663
political subdivision, or by one or more other such 1664
institutions, the state, or political subdivisions under a 1665
lease, sublease, or other contractual arrangement: 1666

(a) As a community or area center in which presentations 1667
in music, dramatics, the arts, and related fields are made in 1668
order to foster public interest and education therein; 1669

(b) As a children's, science, history, or natural history 1670
museum that is open to the general public; 1671

(c) For other charitable, educational, or public purposes. 1672

(2) It is made available under the direction or control of 1673
such institution, the state, or political subdivision for use in 1674
furtherance of or incidental to its charitable, educational, or 1675
public purposes and not with the view to profit. 1676

(3) It is used by an organization described in division 1677
(D) of section 5709.12 of the Revised Code. If the organization 1678
is a corporation that receives a grant under the Thomas Alva 1679
Edison grant program authorized by division (C) of section 1680
122.33 of the Revised Code at any time during the tax year, 1681

"used," for the purposes of this division, includes holding 1682
property for lease or resale to others. 1683

(B) (1) Property described in division (A) (1) (a) or (b) of 1684
this section shall continue to be considered as used exclusively 1685
for charitable or public purposes even if the property is 1686
conveyed through one conveyance or a series of conveyances to an 1687
entity that is not a charitable or educational institution and 1688
is not the state or a political subdivision, provided that all 1689
of the following conditions apply with respect to that property: 1690

(a) The property was listed as exempt on the county 1691
auditor's tax list and duplicate for the county in which it is 1692
located for the tax year immediately preceding the year in which 1693
the property is conveyed through one conveyance or a series of 1694
conveyances; 1695

(b) The property is conveyed through one conveyance or a 1696
series of conveyances to an ~~owner~~ entity that does any of the 1697
following: 1698

(i) Leases at least forty-five per cent of the property, 1699
through one lease or a series of leases, to the entity that 1700
owned or occupied the property for the tax year immediately 1701
preceding the year in which the property is conveyed or to an 1702
affiliate of that entity; 1703

(ii) Contracts, directly or indirectly to have renovations 1704
performed as described in division (B) (1) (d) of this section and 1705
is at least partially owned by a nonprofit organization 1706
described in section 501(c) (3) of the Internal Revenue Code that 1707
is exempt from taxation under section 501(a) of that code. 1708

(c) The property includes improvements that are at least 1709
fifty years old; 1710

(d) The property is being renovated in connection with a 1711
claim for historic preservation tax credits available under 1712

federal law; 1713

(e) ~~The~~ All or a portion of the property continues to be 1714
used for the purposes described in division (A) (1) (a) or (b) of 1715
this section after its conveyance; and 1716

(f) The property is certified by the United States 1717
secretary of the interior as a "certified historic structure" or 1718
certified as part of a certified historic structure. 1719

(2) Notwithstanding section 5715.27 of the Revised Code, 1720
an application for exemption from taxation of property described 1721
in division (B) (1) of this section may be filed by either the 1722
owner of the property ~~or its~~ an occupant . 1723

(C) For purposes of this section, an institution that 1724
meets all of the following requirements is conclusively presumed 1725
to be a charitable institution: 1726

(1) The institution is a nonprofit corporation or 1727
association, no part of the net earnings of which inures to the 1728
benefit of any private shareholder or individual; 1729

(2) The institution is exempt from federal income taxation 1730
under section 501(a) of the Internal Revenue Code; 1731

(3) The majority of the institution's board of directors 1732
are appointed by the mayor or legislative authority of a 1733
municipal corporation or a board of county commissioners, or a 1734
combination thereof; 1735

(4) The primary purpose of the institution is to assist in 1736
the development and revitalization of downtown urban areas. 1737

(D) For purposes of division (A) (1) (b) of this section, 1738
the status of a museum as open to the general public shall be 1739
conclusive if the museum is accredited by the American alliance 1740
of museums or a successor organization. 1741

Sec. 5709.45. (A) As used in sections 5709.45 to 5709.47 1742

of the Revised Code: 1743

(1) "Downtown redevelopment district" or "district" means 1744
an area not more than ten acres enclosed by a continuous 1745
boundary in which at least one historic building is being, or 1746
will be, rehabilitated. 1747

(2) "Historic building" and "rehabilitation" have the same 1748
meanings as in section 149.311 of the Revised Code. 1749

(3) "Public infrastructure improvement" has the same 1750
meaning as in section 5709.40 of the Revised Code. 1751

(4) "Improvement" means the increase in the assessed value 1752
of real property that would first appear on the tax list after 1753
the effective date of an ordinance adopted under this section 1754
were it not for the exemption granted by the ordinance. 1755

(5) "Innovation district" means an area located entirely 1756
within a downtown redevelopment district, enclosed by a 1757
continuous boundary, and equipped with a high-speed broadband 1758
network capable of download speeds of at least one hundred 1759
gigabits per second. 1760

(6) "Qualified business" means a business primarily 1761
engaged, or primarily organized to engage, in a trade or 1762
business that involves research and development, technology 1763
transfer, bio-technology, information technology, or the 1764
application of new technology developed through research and 1765
development or acquired through technology transfer. 1766

(7) "Information technology" means the branch of 1767
technology devoted to the study and application of data and the 1768
processing thereof; the automatic acquisition, storage, 1769
manipulation or transformation, management, movement, control, 1770
display, switching, interchange, transmission or reception of 1771
data, and the development or use of hardware, software, 1772
firmware, and procedures associated with this processing. 1773

"Information technology" includes matters concerned with the 1774
furtherance of computer science and technology, design, 1775
development, installation, and implementation of information 1776
systems and applications that in turn will be licensed or sold 1777
to a specific target market. "Information technology" does not 1778
include the creation of a distribution method for existing 1779
products and services. 1780

(8) "Research and development" means designing, creating, 1781
or formulating new or enhanced products, equipment, or 1782
processes, and conducting scientific or technological inquiry 1783
and experimentation in the physical sciences with the goal of 1784
increasing scientific knowledge that may reveal the bases for 1785
new or enhanced products, equipment, or processes. 1786

(9) "Technology transfer" means the transfer of technology 1787
from one sector of the economy to another, including the 1788
transfer of military technology to civilian applications, 1789
civilian technology to military applications, or technology from 1790
public or private research laboratories to military or civilian 1791
applications. 1792

(B) For the purposes of promoting rehabilitation of 1793
historic buildings, creating jobs, and encouraging economic 1794
development in commercial and mixed-use commercial and 1795
residential areas, the legislative authority of a municipal 1796
corporation may adopt an ordinance creating a downtown 1797
redevelopment district and declaring improvements to parcels 1798
within the district to be a public purpose and exempt from 1799
taxation. Downtown redevelopment districts shall not be created 1800
in areas used exclusively for residential purposes and shall not 1801
be utilized for development or redevelopment of residential 1802
areas. 1803

The ordinance shall specify all of the following: 1804

(1) The boundary of the district; 1805

(2) The county treasurer's permanent parcel number 1806
associated with each parcel included in the district; 1807

(3) The parcel or parcels within the district that include 1808
a historic building that is being or will be rehabilitated; 1809

(4) The proposed life of the district; 1810

(5) An economic development plan for the district that 1811
includes all of the following: 1812

(a) A statement describing the principal purposes and 1813
goals to be served by creating the district; 1814

(b) An explanation of how the municipal corporation will 1815
collaborate with businesses and property owners within the 1816
district to develop strategies for achieving such purposes and 1817
goals; 1818

(c) A plan for using the service payments provided for in 1819
section 5709.46 of the Revised Code to promote economic 1820
development and job creation within the district. 1821

Not more than seventy per cent of improvements to parcels 1822
within a downtown redevelopment district may be exempted from 1823
taxation under this section. A district may not include a parcel 1824
that is or has been exempted from taxation under this section or 1825
section 5709.40 or 5709.41 of the Revised Code. Except as 1826
provided in division (F) of this section, the life of a downtown 1827
redemption district shall not exceed ten years. 1828

A municipal corporation may adopt more than one ordinance 1829
under division (B) of this section. A single such ordinance may 1830
create more than one downtown redevelopment district. 1831

(C) For the purposes of attracting and facilitating growth 1832
of qualified businesses and supporting the economic development 1833
efforts of business incubators and accelerators, the legislative 1834
authority of a municipal corporation may designate an innovation 1835

district within a proposed or existing downtown redevelopment 1836
district. The life of the innovation district shall be identical 1837
to the downtown redevelopment district in which the innovation 1838
district is located. In addition to the requirements in division 1839
(B) of this section, an ordinance creating a downtown 1840
redevelopment district that includes an innovation district 1841
shall specify all of the following: 1842

(1) The boundary of the innovation district; 1843

(2) The permanent parcel number associated with each 1844
parcel included in the innovation district; 1845

(3) An economic development plan for the innovation 1846
district that meets the criteria prescribed by division (B) (5) 1847
of this section. 1848

(D) At least thirty days before adopting an ordinance 1849
under division (B) of this section, the legislative authority of 1850
the municipal corporation shall conduct a public hearing on the 1851
proposed ordinance and the accompanying economic development 1852
plan. At least thirty days before the public hearing, the 1853
legislative authority shall give notice of the public hearing 1854
and the proposed ordinance by first class mail to every real 1855
property owner whose property is located within the boundaries 1856
of the proposed district that is the subject of the proposed 1857
ordinance. 1858

(E) Revenue derived from downtown redevelopment district 1859
service payments may be used by the municipal corporation for 1860
any of the following purposes: 1861

(1) To finance or support loans, deferred loans, or grants 1862
to owners of historic buildings within the downtown 1863
redevelopment district. Such loans or grants shall be awarded 1864
upon the condition that the loan or grant amount may be used by 1865
the owner only to rehabilitate the historic building. A 1866
municipal corporation that awards a loan or grant under this 1867

division shall develop a plan for tracking the loan or grant 1868
recipient's use of the loan or grant and monitoring the progress 1869
of the recipient's rehabilitation project. 1870

(2) To make contributions to a special improvement 1871
district for use under section 1710.14 of the Revised Code, to a 1872
community improvement corporation for use under section 1724.12 1873
of the Revised Code, or to a nonprofit corporation, as defined 1874
in section 1702.01 of the Revised Code, the primary purpose of 1875
which is redeveloping historic buildings and historic districts 1876
for use by the corporation to rehabilitate a historic building 1877
within the downtown redevelopment district or to otherwise 1878
promote or enhance the district. Amounts contributed under 1879
division (E) (2) of this section shall not exceed the property 1880
tax revenue that would have been generated by twenty per cent of 1881
the assessed value of the exempted improvements within the 1882
downtown redevelopment district. 1883

(3) To finance or support loans to owners of one or more 1884
buildings located within the district that do not qualify as 1885
historic buildings. Such loans shall be awarded upon the 1886
condition that the loan amount may be used by the owner only to 1887
make repairs and improvements to the building or buildings. A 1888
municipal corporation that awards a loan under this division 1889
shall develop a plan for tracking the loan recipient's use of 1890
the loan and monitoring the progress of the recipient's repairs 1891
or improvements. 1892

(4) To finance public infrastructure improvements within 1893
the downtown redevelopment district. If revenue generated by the 1894
downtown redevelopment district will be used to finance public 1895
infrastructure improvements, the economic development plan 1896
described by division (B) (5) of this section shall identify 1897
specific projects that are being or will be undertaken within 1898
the district and describe how such infrastructure improvements 1899
will accommodate additional demands on the existing 1900

infrastructure within the district. A municipal corporation shall not use service payments derived from a downtown redevelopment district to repair or replace police or fire equipment. 1901
1902
1903
1904

(5) To finance or support loans, deferred loans, or grants to qualified businesses or to incubators and accelerators that provide services and capital to qualified businesses within an innovation district. Such loans or grants shall be awarded upon the condition that the loan or grant shall be used by the recipient to start or develop one or more qualified businesses within the innovation district. A municipal corporation that awards a loan or grant under this division shall develop a plan for tracking the loan or grant recipient's use of the loan or grant and monitoring the establishment and growth of the qualified business. 1905
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(F) Notwithstanding division (B) of this section, improvements to parcels located within a downtown redevelopment district may be exempted from taxation under this section for up to thirty years if either of the following apply: 1916
1917
1918
1919

(1) The ordinance creating the redevelopment district specifies that payments in lieu of taxes shall be paid to the city, local, or exempted village, and joint vocational school district or districts in which the redevelopment district is located in the amount of the taxes that would have been payable to the school district or districts if the improvements had not been exempted from taxation. 1920
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(2) The municipal corporation creating the district obtains the approval under division (G) of this section of the board of education of each city, local, and exempted village school district within which the district will be located. 1927
1928
1929
1930

(G) (1) The legislative authority of a municipal corporation seeking the approval of a school district for the 1931
1932

purpose of division (G) (2) of this section shall send notice of 1933
the proposed ordinance to the school district not later than 1934
forty-five business days before it intends to adopt the 1935
ordinance. The notice shall include a copy of the proposed 1936
ordinance and shall indicate the date on which the legislative 1937
authority intends to adopt the ordinance. The board of education 1938
of the school district, by resolution adopted by a majority of 1939
the board, may do any of the following: 1940

(a) Approve the exemption for the number of years 1941
specified in the proposed ordinance; 1942

(b) Disapprove the exemption for the number of years in 1943
excess of ten; 1944

(c) Approve the exemption on the condition that the 1945
legislative authority and the board negotiate an agreement 1946
providing for compensation to the school district equal in value 1947
to a percentage of the amount of taxes exempted in the eleventh 1948
and subsequent years of the exemption period or other mutually 1949
agreeable compensation. If an agreement is negotiated under this 1950
division, the legislative authority shall compensate all joint 1951
vocational school districts within which the downtown 1952
redevelopment district is located at the same rate and under the 1953
same terms received by the city, local, or exempted village 1954
school district. 1955

(2) The board of education shall certify a resolution 1956
adopted under division (G) (1) of this section to the legislative 1957
authority of the municipal corporation not later than fourteen 1958
days before the date the legislative authority intends to adopt 1959
the ordinance as indicated in the notice. If the board of 1960
education approves the ordinance or negotiates a mutually 1961
acceptable compensation agreement with the legislative 1962
authority, the legislative authority may enact the ordinance in 1963
its current form. If the board disapproves of the ordinance and 1964

fails to negotiate a mutually acceptable compensation agreement 1965
with the legislative authority, the legislative authority may 1966
exempt improvements to parcels within the downtown redevelopment 1967
district for not more than ten years. If the board fails to 1968
certify a resolution to the legislative authority within the 1969
time prescribed by this division, the legislative authority may 1970
adopt the ordinance and may exempt improvements to parcels 1971
within the downtown redevelopment district for the period of 1972
time specified in the notice delivered to the board of 1973
education. The legislative authority may adopt the ordinance at 1974
any time after the board of education certifies its resolution 1975
approving the exemption to the legislative authority or, if the 1976
board approves the exemption on the condition that a mutually 1977
acceptable compensation agreement be negotiated, at any time 1978
after the compensation agreement is agreed to by the board and 1979
the legislative authority. 1980

(3) If a board of education has adopted a resolution 1981
waiving its right to approve exemptions from taxation under this 1982
section and the resolution remains in effect, approval of 1983
exemptions by the board is not required under division (G) of 1984
this section. If a board of education has adopted a resolution 1985
allowing a legislative authority to deliver the notice required 1986
under division (G)(1) of this section fewer than forty-five 1987
business days before the legislative authority's adoption of the 1988
ordinance, the legislative authority shall deliver the notice to 1989
the board not later than the number of days before such adoption 1990
as prescribed by the board in its resolution. If a board of 1991
education adopts a resolution waiving its right to approve 1992
agreements or shortening the notification period, the board 1993
shall certify a copy of the resolution to the legislative 1994
authority. If the board of education rescinds such a resolution, 1995
it shall certify notice of the rescission to the legislative 1996
authority. 1997

(4) If the legislative authority is not required by 1998
division (G) of this section to notify the board of education of 1999
the legislative authority's intent to create a downtown 2000
redevelopment district, the legislative authority shall comply 2001
with the notice requirements imposed under section 5709.83 of 2002
the Revised Code, unless the board has adopted a resolution 2003
under that section waiving its right to receive such a notice. 2004

(H) Service payments in lieu of taxes that are 2005
attributable to any amount by which the effective tax rate of 2006
either a renewal levy with an increase or a replacement levy 2007
exceeds the effective tax rate of the levy renewed or replaced, 2008
or that are attributable to an additional levy, for a levy 2009
authorized by the voters for any of the following purposes on or 2010
after January 1, 2006, and which are provided pursuant to an 2011
ordinance creating a downtown redevelopment district under 2012
division (B) of this section shall be distributed to the 2013
appropriate taxing authority as required under division (C) of 2014
section 5709.46 of the Revised Code in an amount equal to the 2015
amount of taxes from that additional levy or from the increase 2016
in the effective tax rate of such renewal or replacement levy 2017
that would have been payable to that taxing authority from the 2018
following levies were it not for the exemption authorized under 2019
division (B) of this section: 2020

(1) A tax levied under division (L) of section 5705.19 or 2021
section 5705.191 of the Revised Code for community mental 2022
retardation and developmental disabilities programs and services 2023
pursuant to Chapter 5126. of the Revised Code; 2024

(2) A tax levied under division (Y) of section 5705.19 of 2025
the Revised Code for providing or maintaining senior citizens 2026
services or facilities; 2027

(3) A tax levied under section 5705.22 of the Revised Code 2028
for county hospitals; 2029

<u>(4) A tax levied by a joint-county district or by a county</u>	2030
<u>under section 5705.19, 5705.191, or 5705.221 of the Revised Code</u>	2031
<u>for alcohol, drug addiction, and mental health services or</u>	2032
<u>facilities;</u>	2033
<u>(5) A tax levied under section 5705.23 of the Revised Code</u>	2034
<u>for library purposes;</u>	2035
<u>(6) A tax levied under section 5705.24 of the Revised Code</u>	2036
<u>for the support of children services and the placement and care</u>	2037
<u>of children;</u>	2038
<u>(7) A tax levied under division (Z) of section 5705.19 of</u>	2039
<u>the Revised Code for the provision and maintenance of zoological</u>	2040
<u>park services and facilities under section 307.76 of the Revised</u>	2041
<u>Code;</u>	2042
<u>(8) A tax levied under section 511.27 or division (H) of</u>	2043
<u>section 5705.19 of the Revised Code for the support of township</u>	2044
<u>park districts;</u>	2045
<u>(9) A tax levied under division (A), (F), or (H) of</u>	2046
<u>section 5705.19 of the Revised Code for parks and recreational</u>	2047
<u>purposes of a joint recreation district organized pursuant to</u>	2048
<u>division (B) of section 755.14 of the Revised Code;</u>	2049
<u>(10) A tax levied under section 1545.20 or 1545.21 of the</u>	2050
<u>Revised Code for park district purposes;</u>	2051
<u>(11) A tax levied under section 5705.191 of the Revised</u>	2052
<u>Code for the purpose of making appropriations for public</u>	2053
<u>assistance; human or social services; public relief; public</u>	2054
<u>welfare; public health and hospitalization; and support of</u>	2055
<u>general hospitals;</u>	2056
<u>(12) A tax levied under section 3709.29 of the Revised</u>	2057
<u>Code for a general health district program.</u>	2058
<u>(I) An exemption from taxation granted under this section</u>	2059

commences with the tax year specified in the ordinance so long 2060
as the year specified in the ordinance commences after the 2061
effective date of the ordinance. If the ordinance specifies a 2062
year commencing before the effective date of the ordinance or 2063
specifies no year whatsoever, the exemption commences with the 2064
tax year in which an exempted improvement first appears on the 2065
tax list and that commences after the effective date of the 2066
ordinance. In lieu of stating a specific year, the ordinance may 2067
provide that the exemption commences in the tax year in which 2068
the value of an improvement exceeds a specified amount or in 2069
which the construction of one or more improvements is completed, 2070
provided that such tax year commences after the effective date 2071
of the ordinance. 2072

Except as otherwise provided in this division, the 2073
exemption ends on the date specified in the ordinance as the 2074
date the improvement ceases to be a public purpose or the 2075
downtown redevelopment district expires, whichever occurs first. 2076
The exemption of an improvement within a downtown redevelopment 2077
district may end on a later date, as specified in the ordinance, 2078
if the legislative authority and the board of education of the 2079
city, local, or exempted village school district within which 2080
the parcel or district is located have entered into a 2081
compensation agreement under section 5709.82 of the Revised Code 2082
with respect to the improvement, and the board of education has 2083
approved the term of the exemption under division (G) of this 2084
section, but in no case shall the improvement be exempted from 2085
taxation for more than thirty years. Exemptions shall be claimed 2086
and allowed in the same manner as in the case of other real 2087
property exemptions. If an exemption status changes during a 2088
year, the procedure for the apportionment of the taxes for that 2089
year is the same as in the case of other changes in tax 2090
exemption status during the year. 2091

(J) Additional municipal financing of the projects and 2092

services described in division (E) of this section may be 2093
provided by any methods that the municipal corporation may 2094
otherwise use for financing such projects and services. If the 2095
municipal corporation issues bonds or notes to finance such 2096
projects and services and pledges money from the municipal 2097
downtown redevelopment district fund to pay the interest on and 2098
principal of the bonds or notes, the bonds or notes are not 2099
subject to Chapter 133. of the Revised Code. 2100

(K) The municipal corporation, not later than fifteen days 2101
after the adoption of an ordinance under this section, shall 2102
submit to the director of development services a copy of the 2103
ordinance. On or before the thirty-first day of March of each 2104
year, the municipal corporation shall submit a status report to 2105
the director of development services. The report shall indicate, 2106
in the manner prescribed by the director, the progress of the 2107
projects and services during each year that an exemption remains 2108
in effect, including a summary of the receipts from service 2109
payments in lieu of taxes; expenditures of money from the funds 2110
created under section 5709.47 of the Revised Code; a description 2111
of the projects and services financed with such expenditures; 2112
and a quantitative summary of changes in employment and private 2113
investment resulting from each project and service. 2114

(L) Nothing in this section shall be construed to prohibit 2115
a legislative authority from declaring to be a public purpose 2116
improvements with respect to more than one parcel. 2117

(M) (1) The owner of real property located in a downtown 2118
redevelopment district may enter into an agreement with the 2119
municipal corporation that created the district to impose a 2120
redevelopment charge on the property to cover all or part of the 2121
cost of services, facilities, and improvements provided within 2122
the district under division (E) of this section. The agreement 2123
shall include the following: 2124

(a) The amount of the redevelopment charge. The 2125
redevelopment charge may be a fixed dollar amount or an amount 2126
determined on the basis of the assessed valuation of the 2127
property or all or part of the profits, gross receipts, or other 2128
revenues of a business operating on the property, including 2129
rentals received from leases of the property. If the property is 2130
leased to one or more tenants, the redevelopment charge may be 2131
itemized as part of the lease rate. 2132

(b) The termination date of the redevelopment charge. The 2133
redevelopment charge shall not be charged after the expiration 2134
or termination of the downtown redevelopment district. 2135

(c) The terms by which the municipal corporation shall 2136
collect the redevelopment charge. 2137

(d) The purposes for which the redevelopment charge may be 2138
used by the municipal corporation. The redevelopment charge 2139
shall be used only for those purposes described by division (E) 2140
of this section. The agreement may specify any or all of such 2141
purposes. 2142

(2) Redevelopment charges collected by a municipal 2143
corporation under division (M) of this section shall be 2144
deposited to the municipal downtown redevelopment district fund 2145
created under section 5709.47 of the Revised Code. 2146

(3) An agreement by a property owner under division (M) of 2147
this section is hereby deemed to be a covenant running with the 2148
land. The covenant is fully binding on behalf of and enforceable 2149
by the municipal corporation against any person acquiring an 2150
interest in the land and all of that person's successors and 2151
assigns. 2152

(4) No purchase agreement for real estate or any interest 2153
in real estate upon which a redevelopment charge is levied shall 2154
be enforceable by the seller or binding upon the purchaser 2155
unless the purchase agreement specifically refers to the 2156

redevelopment charge. If a conveyance of such real estate or 2157
interest in such real estate is made pursuant to a purchase 2158
agreement that does not make such reference, the redevelopment 2159
charge shall continue to be a covenant running with the land 2160
fully binding on behalf of and enforceable by the municipal 2161
corporation against the person accepting the conveyance pursuant 2162
to the purchase agreement. 2163

(5) If a redevelopment charge is not paid when due, the 2164
overdue amount shall be collected according to the terms of the 2165
agreement. If the agreement does not specify a procedure for 2166
collecting overdue redevelopment charges, the municipal 2167
corporation may certify the charge to the county auditor. The 2168
county auditor shall enter the unpaid charge on the tax list and 2169
duplicate of real property opposite the parcel against which it 2170
is charged and certify the charge to the county treasurer. The 2171
unpaid redevelopment charge is a lien on property against which 2172
it is charged from the date the charge is entered on the tax 2173
list, and shall be collected in the manner provided for the 2174
collection of real property taxes. Once the charge is collected, 2175
it shall be paid immediately to the municipal corporation. 2176

Sec. 5709.46. (A) A municipal corporation that has 2177
declared an improvement to be a public purpose under section 2178
5709.45 of the Revised Code may require the owner of any 2179
structure located on the parcel to make annual service payments 2180
in lieu of taxes to the county treasurer on or before the final 2181
dates for payment of real property taxes. Each such payment 2182
shall be charged and collected in the same manner and in the 2183
same amount as the real property taxes that would have been 2184
charged and payable against the improvement if it were not 2185
exempt from taxation. If any reduction in the levies otherwise 2186
applicable to such exempt property is made by the county budget 2187
commission under section 5705.31 of the Revised Code, the amount 2188
of the service payment in lieu of taxes shall be calculated as 2189

if such reduction in levies had not been made. 2190

(B) Moneys collected as service payments in lieu of taxes 2191
from a parcel shall be distributed at the same time and in the 2192
same manner as real property tax payments. However, subject to 2193
division (C) of this section or section 5709.913 of the Revised 2194
Code, the entire amount so collected shall be distributed to the 2195
municipal corporation in which the parcel is located. If an 2196
ordinance adopted under section 5709.45 of the Revised Code 2197
specifies that service payments shall be paid to the city, 2198
local, or exempted village school district in which the parcel 2199
is located, the county treasurer shall distribute the portion of 2200
the service payments to that school district in an amount equal 2201
to the property tax payments the school district would have 2202
received from the portion of the parcel's improvement exempted 2203
from taxation had the improvement not been exempted, as directed 2204
in the ordinance. The treasurer shall maintain a record of the 2205
service payments in lieu of taxes made from property in each 2206
municipal corporation. 2207

(C) If annual service payments in lieu of taxes are 2208
required under this section, the county treasurer shall 2209
distribute to the appropriate taxing authorities the portion of 2210
the service payments that represents payments required under 2211
division (H) of section 5709.45 of the Revised Code. 2212

(D) Nothing in this section or section 5709.45 of the 2213
Revised Code affects the taxes levied against that portion of 2214
the value of any parcel of property that is not exempt from 2215
taxation. 2216

Sec. 5709.47. (A) A municipal corporation that grants a 2217
tax exemption or enters into a redevelopment charge agreement 2218
under section 5709.45 of the Revised Code shall establish a 2219
municipal downtown redevelopment district fund into which shall 2220
be deposited service payments in lieu of taxes distributed to 2221

the municipal corporation under section 5709.46 of the Revised 2222
Code and redevelopment charges collected pursuant to division 2223
(M) of section 5709.45 of the Revised Code. If an ordinance 2224
adopted under division (B) of section 5709.45 of the Revised 2225
Code or an agreement under division (M) of that section 2226
authorizes the use of service payments or redevelopment charges 2227
for more than one of the purposes described in division (E) of 2228
that section, the municipal corporation shall establish separate 2229
accounts for the service payments and redevelopment charges 2230
designated for each such purpose. Money in an account of the 2231
municipal downtown redevelopment district fund shall be used for 2232
the purposes described in the ordinance creating the downtown 2233
redevelopment district and the redevelopment charge agreements. 2234
The municipal corporation also may deposit into any of those 2235
accounts municipal income tax revenue that has been designated 2236
by ordinance to finance the public infrastructure improvements. 2237

(B) (1) A municipal corporation may distribute money in the 2238
municipal downtown redevelopment district fund to any school 2239
district in which the exempt property is located in an amount 2240
not to exceed the amount of real property taxes that such school 2241
district would have received from the improvement if it were not 2242
exempt from taxation, or use money in the fund to finance 2243
specific public improvements benefiting the school district. The 2244
resolution or ordinance establishing the fund shall set forth 2245
the percentage of such maximum amount that will be distributed 2246
to any affected school district or used to finance specific 2247
public improvements benefiting the school district. 2248

(2) A municipal corporation also may distribute money in 2249
the municipal downtown redevelopment district fund to a county 2250
in accordance with section 5709.913 of the Revised Code. 2251

(C) Any incidental surplus remaining in the municipal 2252
downtown redevelopment district fund or an account of that fund 2253
upon dissolution of the fund or account shall be transferred to 2254

the general fund of the municipal corporation. 2255

Sec. 5709.82. (A) As used in this section: 2256

(1) "New employee" means both of the following: 2257

(a) Persons employed in the construction of real property 2258
exempted from taxation under the chapters or sections of the 2259
Revised Code enumerated in division (B) of this section; 2260

(b) Persons not described by division (A)(1)(a) of this 2261
section who are first employed at the site of such property and 2262
who within the two previous years have not been subject, prior 2263
to being employed at that site, to income taxation by the 2264
municipal corporation within whose territory the site is located 2265
on income derived from employment for the person's current 2266
employer. "New employee" does not include any person who 2267
replaces a person who is not a new employee under division (A) 2268
(1) of this section. 2269

(2) "Infrastructure costs" means costs incurred by a 2270
municipal corporation in a calendar year to acquire, construct, 2271
reconstruct, improve, plan, or equip real or tangible personal 2272
property that directly benefits or will directly benefit the 2273
exempted property. If the municipal corporation finances the 2274
acquisition, construction, reconstruction, improvement, 2275
planning, or equipping of real or tangible personal property 2276
that directly benefits the exempted property by issuing debt, 2277
"infrastructure costs" means the annual debt charges incurred by 2278
the municipal corporation from the issuance of such debt. Real 2279
or tangible personal property directly benefits exempted 2280
property only if the exempted property places or will place 2281
direct, additional demand on the real or tangible personal 2282
property for which such costs were or will be incurred. 2283

(3) "Taxing unit" has the same meaning as in division (H) 2284
of section 5705.01 of the Revised Code. 2285

(B) (1) Except as otherwise provided under division (C) of 2286
this section, the legislative authority of any political 2287
subdivision that has acted under the authority of Chapter 725. 2288
or 1728., sections 3735.65 to 3735.70, or section 5709.40, 2289
5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 2290
5709.84, or 5709.88 of the Revised Code to grant an exemption 2291
from taxation for real or tangible personal property may 2292
negotiate with the board of education of each city, local, 2293
exempted village, or joint vocational school district or other 2294
taxing unit within the territory of which the exempted property 2295
is located, and enter into an agreement whereby the school 2296
district or taxing unit is compensated for tax revenue foregone 2297
by the school district or taxing unit as a result of the 2298
exemption. Except as otherwise provided in division (B) (1) of 2299
this section, if a political subdivision enters into more than 2300
one agreement under this section with respect to a tax 2301
exemption, the political subdivision shall provide to each 2302
school district or taxing unit with which it contracts the same 2303
percentage of tax revenue foregone by the school district or 2304
taxing unit, which may be based on a good faith projection made 2305
at the time the exemption is granted. Such percentage shall be 2306
calculated on the basis of amounts paid by the political 2307
subdivision and any amounts paid by an owner under division (B) 2308
(2) of this section. A political subdivision may provide a 2309
school district or other taxing unit with a smaller percentage 2310
of foregone tax revenue than that provided to other school 2311
districts or taxing units only if the school district or taxing 2312
unit expressly consents in the agreement to receiving a smaller 2313
percentage. If a subdivision has acted under the authority of 2314
section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 2315
Revised Code and enters into a compensation agreement with a 2316
city, local, or exempted village school district, the 2317
subdivision shall provide compensation to the joint vocational 2318
school district within the territory of which the exempted 2319

property is located at the same rate and under the same terms as 2320
received by the city, local, or exempted village school 2321
district. 2322

(2) An owner of property exempted from taxation under the 2323
authority described in division (B)(1) of this section may, by 2324
becoming a party to an agreement described in division (B)(1) of 2325
this section or by entering into a separate agreement with a 2326
school district or other taxing unit, agree to compensate the 2327
school district or taxing unit by paying cash or by providing 2328
property or services by gift, loan, or otherwise. If the owner's 2329
property is exempted under the authority of section 5709.40, 2330
5709.41, 5709.45, 5709.73, or 5709.78 of the Revised Code and 2331
the owner enters into a compensation agreement with a city, 2332
local, or exempted village school district, the owner shall 2333
provide compensation to the joint vocational school district 2334
within the territory of which the owner's property is located at 2335
the same rate and under the same terms as received by the city, 2336
local, or exempted village school district. 2337

(C) This division does not apply to the following: 2338

(1) The legislative authority of a municipal corporation 2339
that has acted under the authority of division (H) of section 2340
715.70 or section 715.81 of the Revised Code to consent to the 2341
granting of an exemption from taxation for real or tangible 2342
personal property in a joint economic development district. 2343

(2) The legislative authority of a municipal corporation 2344
that has specified in an ordinance adopted under section 5709.40 2345
~~or~~, 5709.41, or 5709.45 of the Revised Code that payments in 2346
lieu of taxes provided for under section 5709.42 or 5709.46 of 2347
the Revised Code shall be paid to the city, local, or exempted 2348
village school district in which the improvements are located in 2349
the amount of taxes that would have been payable to the school 2350
district if the improvements had not been exempted from 2351

taxation, as directed in the ordinance. 2352

If the legislative authority of any municipal corporation 2353
has acted under the authority of Chapter 725. or 1728. or 2354
section 3735.671, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 2355
5709.632, or 5709.88, or a housing officer under section 3735.67 2356
of the Revised Code, to grant or consent to the granting of an 2357
exemption from taxation for real or tangible personal property 2358
on or after July 1, 1994, the municipal corporation imposes a 2359
tax on incomes, and the payroll of new employees resulting from 2360
the exercise of that authority equals or exceeds one million 2361
dollars in any tax year for which such property is exempted, the 2362
legislative authority and the board of education of each city, 2363
local, or exempted village school district within the territory 2364
of which the exempted property is located shall attempt to 2365
negotiate an agreement providing for compensation to the school 2366
district for all or a portion of the tax revenue the school 2367
district would have received had the property not been exempted 2368
from taxation. The agreement may include as a party the owner of 2369
the property exempted or to be exempted from taxation and may 2370
include provisions obligating the owner to compensate the school 2371
district by paying cash or providing property or services by 2372
gift, loan, or otherwise. Such an obligation is enforceable by 2373
the board of education of the school district pursuant to the 2374
terms of the agreement. 2375

If the legislative authority and board of education fail 2376
to negotiate an agreement that is mutually acceptable within six 2377
months of formal approval by the legislative authority of the 2378
instrument granting the exemption, the legislative authority 2379
shall compensate the school district in the amount and manner 2380
prescribed by division (D) of this section. 2381

(D) Annually, the legislative authority of a municipal 2382
corporation subject to this division shall pay to the city, 2383
local, or exempted village school district within the territory 2384

of which the exempted property is located an amount equal to 2385
fifty per cent of the difference between the amount of taxes 2386
levied and collected by the municipal corporation on the incomes 2387
of new employees in the calendar year ending on the day the 2388
payment is required to be made, and the amount of any 2389
infrastructure costs incurred in that calendar year. For 2390
purposes of such computation, the amount of infrastructure costs 2391
shall not exceed thirty-five per cent of the amount of those 2392
taxes unless the board of education of the school district, by 2393
resolution adopted by a majority of the board, approves an 2394
amount in excess of that percentage. If the amount of those 2395
taxes or infrastructure costs must be estimated at the time the 2396
payment is made, payments in subsequent years shall be adjusted 2397
to compensate for any departure of those estimates from the 2398
actual amount of those taxes. 2399

A municipal corporation required to make a payment under 2400
this section shall make the payment from its general fund or a 2401
special fund established for the purpose. The payment is payable 2402
on the thirty-first day of December of the tax year for or in 2403
which the exemption from taxation commences and on that day for 2404
each subsequent tax year property is exempted and the 2405
legislative authority and board fail to negotiate an acceptable 2406
agreement under division (C) of this section. 2407

Sec. 5709.83. (A) Except as otherwise provided in division 2408
(B) or (C) of this section, prior to taking formal action to 2409
adopt or enter into any instrument granting a tax exemption 2410
under section 725.02, 1728.06, 5709.40, 5709.41, 5709.45, 2411
5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 5709.84, or 2412
5709.88 of the Revised Code or formally approving an agreement 2413
under section 3735.671 of the Revised Code, or prior to 2414
forwarding an application for a tax exemption for residential 2415
property under section 3735.67 of the Revised Code to the county 2416
auditor, the legislative authority of the political subdivision 2417

or housing officer shall notify the board of education of each 2418
city, local, exempted village, or joint vocational school 2419
district in which the proposed tax-exempted property is located. 2420
The notice shall include a copy of the instrument or 2421
application. The notice shall be delivered not later than 2422
fourteen days prior to the day the legislative authority takes 2423
formal action to adopt or enter into the instrument, or not 2424
later than fourteen days prior to the day the housing officer 2425
forwards the application to the county auditor. If the board of 2426
education comments on the instrument or application to the 2427
legislative authority or housing officer, the legislative 2428
authority or housing officer shall consider the comments. If the 2429
board of education of the city, local, exempted village, or 2430
joint vocational school district so requests, the legislative 2431
authority or the housing officer shall meet in person with a 2432
representative designated by the board of education to discuss 2433
the terms of the instrument or application. 2434

(B) The notice otherwise required to be provided to boards 2435
of education under division (A) of this section is not required 2436
if the board has adopted a resolution waiving its right to 2437
receive such notices, and that resolution remains in effect. If 2438
a board of education adopts such a resolution, the board shall 2439
cause a copy of the resolution to be certified to the 2440
legislative authority. If the board of education rescinds such a 2441
resolution, it shall certify notice of the rescission to the 2442
legislative authority. A board of education may adopt such a 2443
resolution with respect to any one or more counties, townships, 2444
or municipal corporations situated in whole or in part within 2445
the school district. 2446

(C) If a legislative authority is required to provide 2447
notice to a city, local, or exempted village school district of 2448
its intent to grant such an exemption as required by section 2449
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 2450

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

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

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

(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 2483
effect as a mortgage lien on real property. 2484

Sec. 5709.832. The legislative authority of a county, 2485
township, or municipal corporation that grants an exemption from 2486
taxation under Chapter 725. or 1728. or section 3735.67, 2487
5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 2488
or 5709.78 of the Revised Code shall develop policies to ensure 2489
that the recipient of the exemption practices nondiscriminatory 2490
hiring in its operations. As used in this section, 2491
"nondiscriminatory hiring" means that no individual may be 2492
denied employment solely on the basis of race, religion, sex, 2493
disability, color, national origin, or ancestry. 2494

Sec. 5709.85. (A) The legislative authority of a county, 2495
township, or municipal corporation that grants an exemption from 2496
taxation under Chapter 725. or 1728. or under section 3735.67, 2497
5709.28, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 2498
5709.73, or 5709.78 of the Revised Code shall create a tax 2499
incentive review council. The council shall consist of the 2500
following members: 2501

(1) In the case of a municipal corporation eligible to 2502
designate a zone under section 5709.62 of the Revised Code, the 2503
chief executive officer or that officer's designee; a member of 2504
the legislative authority of the municipal corporation, 2505
appointed by the president of the legislative authority or, if 2506
the chief executive officer of the municipal corporation is the 2507
president, appointed by the president pro tempore of the 2508
legislative authority; the county auditor or the county 2509
auditor's designee; the chief financial officer of the municipal 2510
corporation or that officer's designee; an individual appointed 2511
by the board of education of each city, local, exempted village, 2512
and joint vocational school district to which the instrument 2513
granting the exemption applies; and two members of the public 2514
appointed by the chief executive officer of the municipal 2515

corporation with the concurrence of the legislative authority. 2516
At least four members of the council shall be residents of the 2517
municipal corporation, and at least one of the two public 2518
members appointed by the chief executive officer shall be a 2519
minority. As used in division (A)(1) of this section, a 2520
"minority" is an individual who is African-American, Hispanic, 2521
or Native American. 2522

(2) In the case of a county or a municipal corporation 2523
that is not eligible to designate a zone under section 5709.62 2524
or 5709.632 of the Revised Code, three members appointed by the 2525
board of county commissioners; two members from each municipal 2526
corporation to which the instrument granting the tax exemption 2527
applies, appointed by the chief executive officer with the 2528
concurrence of the legislative authority of the respective 2529
municipal corporations; two members of each township to which 2530
the instrument granting the tax exemption applies, appointed by 2531
the board of township trustees of the respective townships; the 2532
county auditor or the county auditor's designee; and an 2533
individual appointed by the board of education of each city, 2534
local, exempted village, and joint vocational school district to 2535
which the instrument granting the tax exemption applies. At 2536
least two members of the council shall be residents of the 2537
municipal corporations or townships to which the instrument 2538
granting the tax exemption applies. 2539

(3) In the case of a township in which improvements are 2540
declared a public purpose under section 5709.73 of the Revised 2541
Code, the board of township trustees; the county auditor or the 2542
county auditor's designee; and an individual appointed by the 2543
board of education of each city, local, exempted village, and 2544
joint vocational school district to which the instrument 2545
granting the exemption applies. 2546

(B) The county auditor or the county auditor's designee 2547
shall serve as the chairperson of the council. The council shall 2548

meet at the call of the chairperson. At the first meeting of the council, the council shall select a vice-chairperson. Attendance by a majority of the members of the council constitutes a quorum to conduct the business of the council.

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

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

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

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

(2) Annually, the tax incentive review council shall 2581
review all exemptions from property taxation resulting from the 2582
declaration of public purpose improvements pursuant to section 2583
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 2584
Code. The review shall include such exemptions that were granted 2585
prior to July 22, 1994, that continue to be in force and 2586
applicable to the current year's property taxes. With respect to 2587
each improvement for which an exemption is granted, the council 2588
shall determine the increase in the true value of parcels of 2589
real property on which improvements have been undertaken as a 2590
result of the exemption; the value of improvements exempted from 2591
taxation as a result of the exemption; and the number of new 2592
employees or employees retained on the site of the improvement 2593
as a result of the exemption. 2594

Upon the request of a tax incentive review council, the 2595
county auditor, the housing officer appointed pursuant to 2596
section 3735.66 of the Revised Code, the owner of a new or 2597
remodeled structure or improvement, and the legislative 2598
authority of the county, township, or municipal corporation 2599
granting the exemption shall supply the council with any 2600
information reasonably necessary for the council to make the 2601
determinations required under division (C) of this section, 2602
including returns or reports filed pursuant to sections 5711.02, 2603
5711.13, and 5727.08 of the Revised Code. 2604

(D) Annually, the tax incentive review council shall 2605
review the compliance of each recipient of a tax exemption under 2606
Chapter 725. or 1728. or section 3735.67, 5709.40, 5709.41, 2607
5709.45, 5709.62, 5709.63, 5709.632, 5709.73, or 5709.78 of the 2608
Revised Code with the nondiscriminatory hiring policies 2609
developed by the county, township, or municipal corporation 2610
under section 5709.832 of the Revised Code. Upon the request of 2611
the council, the recipient shall provide the council any 2612
information necessary to perform its review. On the basis of its 2613

review, the council may submit to the legislative authority 2614
written recommendations for enhancing compliance with the 2615
nondiscriminatory hiring policies. 2616

(E) A legislative authority that receives from a tax 2617
incentive review council written recommendations under division 2618
(C) (1) or (D) of this section shall, within sixty days after 2619
receipt, hold a meeting and vote to accept, reject, or modify 2620
all or any portion of the recommendations. 2621

(F) A tax incentive review council may request from the 2622
recipient of a tax exemption under Chapter 725. or 1728. or 2623
section 3735.67, 5709.28, 5709.40, 5709.41, 5709.45, 5709.62, 2624
5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code any 2625
information reasonably necessary for the council to perform its 2626
review under this section. The request shall be in writing and 2627
shall be sent to the recipient by certified mail. Within ten 2628
days after receipt of the request, the recipient shall provide 2629
to the council the information requested. 2630

Sec. 5709.91. Service payments in lieu of taxes required 2631
under sections 725.04, 5709.42, 5709.46, 5709.74, and 5709.79 of 2632
the Revised Code, minimum service payment obligations, and 2633
service charges in lieu of taxes required under sections 1728.11 2634
and 1728.111 of the Revised Code, shall be treated in the same 2635
manner as taxes for all purposes of the lien described in 2636
section 323.11 of the Revised Code, including, but not limited 2637
to, the priority and enforcement of the lien and the collection 2638
of the service payments, minimum service payment obligations, or 2639
service charges secured by the lien. For the purposes of this 2640
section, a "minimum service payment obligation" is an 2641
obligation, including a contingent obligation, for a person to 2642
make a payment to a county, township, or municipal corporation 2643
to ensure sufficient funds to finance public infrastructure 2644
improvements or, if applicable, housing renovations, pursuant to 2645
an agreement between that person and the county, township, or 2646

municipal corporation for the purposes of sections 5709.40 to 2647
5709.43, 5709.45 to 5709.47, 5709.73 to 5709.75, or 5709.77 to 2648
5709.81 of the Revised Code. 2649

Sec. 5709.911. (A) (1) A municipal corporation, township, 2650
or county that has enacted an ordinance or resolution under 2651
section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 2652
Revised Code or that has entered into an agreement referred to 2653
in section 725.02 or 1728.07 of the Revised Code may file an 2654
application for exemption under those sections in the same 2655
manner as other real property tax exemptions, notwithstanding 2656
the indication in division (A) of section 5715.27 of the Revised 2657
Code that the owner of the property may file the application. 2658

(2) Except as provided in division (B) of this section, if 2659
the application for exemption under section 725.02, 1728.10, 2660
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 2661
Code is filed by a municipal corporation, township, or county 2662
and more than one real property tax exemption applies by law to 2663
the property or a portion of the property, both of the following 2664
apply: 2665

(a) An exemption granted under section 725.02, 1728.10, 2666
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 2667
Code shall be subordinate to an exemption with respect to the 2668
property or portion of the property granted under any other 2669
provision of the Revised Code. 2670

(b) Neither service payments in lieu of taxes under 2671
section 725.04, 5709.42, 5709.46, 5709.74, or 5709.79 of the 2672
Revised Code, nor service charges in lieu of taxes under section 2673
1728.11 or 1728.111 of the Revised Code, shall be required with 2674
respect to the property or portion of the property that is 2675
exempt from real property taxes under that other provision of 2676
the Revised Code during the effective period of the exemption. 2677

(B) (1) If the application for exemption under section 2678

725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 2679
of the Revised Code is filed by the owner of the property or by 2680
a municipal corporation, township, or county with the owner's 2681
written consent attached to the application, and if more than 2682
one real property tax exemption applies by law to the property 2683
or a portion of the property, no other exemption shall be 2684
granted for the portion of the property already exempt under 2685
section 725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 2686
5709.78 of the Revised Code unless the municipal corporation, 2687
township, or county that enacted the authorizing ordinance or 2688
resolution for the earlier exemption provides its duly 2689
authorized written consent to the subsequent exemption by means 2690
of a duly enacted ordinance or resolution. 2691

(2) If the application for exemption under section 725.02, 2692
1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 2693
Revised Code is filed by a municipal corporation, township, or 2694
county and approved by the tax commissioner, if the owner of the 2695
property subsequently provides written consent to the exemption 2696
and the consent is filed with the tax commissioner, and if more 2697
than one real property tax exemption applies by law to the 2698
property or a portion of the property, no other exemption shall 2699
be 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

(C) (1) After the tax commissioner has approved or 2707
partially approved an application for exemption filed by or with 2708
the consent of a property owner under the circumstances 2709
described in division (B) (1) of this section, the municipal 2710
corporation, township, county, or property owner shall file a 2711

notice with the county recorder for the county in which the 2712
property is located that clearly identifies the property and the 2713
owner of the property and states that the property, regardless 2714
of future use or ownership, remains liable for any service 2715
payments or service charges required by the exemption until the 2716
terms of the exemption have been satisfied, unless the municipal 2717
corporation, township, or county consents to the subsequent 2718
exemption and relinquishes its right to collect the service 2719
payments or service charges as provided in division (B)(1) of 2720
this section. The county recorder's office shall charge a fee of 2721
fourteen dollars to record the notice, the proceeds of which 2722
shall be retained by the county. 2723

(2) If a property owner subsequently provides written 2724
consent to an exemption under the circumstances described in 2725
division (B)(2) of this section, the municipal corporation, 2726
township, county, or property owner shall file notice with the 2727
county recorder for the county in which the property is located 2728
that clearly identifies the property and the owner of the 2729
property and states that the property, regardless of future use 2730
or ownership, remains liable for any service payments or service 2731
charges required by the exemption until the terms of the 2732
exemption have been satisfied, unless the municipal corporation, 2733
township, or county consents to the subsequent exemption and 2734
relinquishes its right to collect the service payments or 2735
service charges as provided in division (B)(2) of this section. 2736
The county recorder's office shall charge a fee of fourteen 2737
dollars to record the notice, the proceeds of which shall be 2738
retained by the county. 2739

(D) Upon filing of the notice with the county recorder, 2740
the provisions of division (B) of this section are binding on 2741
all future owners of the property or portion of the property, 2742
regardless of how the property is used. Failure to file the 2743
notice with the county recorder relieves future owners of the 2744

property from the obligation to make service payments in lieu of 2745
taxes under section 725.04, 5709.42, 5709.46, 5709.74, or 2746
5709.79 of the Revised Code or service charges in lieu of taxes 2747
under section 1728.11 or 1728.111 of the Revised Code, if the 2748
property or a portion of the property later qualifies for 2749
exemption under any other provision of the Revised Code. Failure 2750
to file the notice does not, however, relieve the owner of the 2751
property, at the time the application for exemption is filed, 2752
from making those payments or charges. 2753

Sec. 5709.913. (A) As used in this section: 2754

(1) "Base real property" means the land, structures and 2755
buildings, or portions of structures and buildings, that 2756
existed, and in the condition in which they existed, for the tax 2757
year in which the ordinance or resolution creating the incentive 2758
district referred to in division (B) of this section was enacted 2759
or adopted, as reflected in the exempt tax list or the general 2760
tax list and duplicate of real and public utility property. 2761

(2) "Sexennial reappraisal and triennial update" means the 2762
reappraisal and update referred to in section 5715.24 of the 2763
Revised Code. 2764

(B) This section applies to any parcel of real property 2765
that is located within an incentive district created by a 2766
municipal corporation or township under section 5709.40 or 2767
5709.73 of the Revised Code or within a downtown redevelopment 2768
district created by a municipal corporation under section 2769
5709.45 of the Revised Code, and concerning which the municipal 2770
corporation or township applied for an exemption from taxation 2771
on behalf of the property owner under section 5709.911 of the 2772
Revised Code. 2773

(C) Each time a county auditor's sexennial reappraisal or 2774
triennial update of the assessed value of a parcel of real 2775
property to which this section applies results in an increase in 2776

such assessed value, the county auditor shall determine the 2777
following amounts: 2778

(1) The amount of the increase in assessed value that is 2779
attributable to the base real property; 2780

(2) The amount determined under division (C) (1) of this 2781
section multiplied by the percentage of improvements in the 2782
~~incentive~~ district to be exempted from taxation under section 2783
5709.40, 5709.45, or 5709.73 of the Revised Code, as applicable; 2784

(3) The product of the amount calculated under division 2785
(C) (2) of this section multiplied by the rate of the taxes 2786
levied by the county within the ten-mill limitation the proceeds 2787
of which are deposited in the county general fund; 2788

(4) The product of the amount calculated under division 2789
(C) (3) of this section multiplied by one-half. 2790

(D) For any tax year that the owner of a parcel of real 2791
property referred to in division (B) of this section is required 2792
to make service payments in lieu of taxes under section 5709.42, 2793
5709.46, or 5709.74 of the Revised Code, a portion of the total 2794
amount of payments made for the year equal to the amount 2795
calculated under division (C) (4) of this section shall be 2796
distributed to the county treasury to the credit of the county 2797
general fund in lieu of distribution to the municipal public 2798
improvement tax increment equivalent fund, municipal downtown 2799
redevelopment district fund, or the township public improvement 2800
tax increment equivalent fund, as applicable. If the service 2801
payments for the year are paid in two installments, the required 2802
distribution to the county treasury also shall be made in two 2803
installments. 2804

(E) (1) Division (D) of this section does not apply if the 2805
municipal corporation or township enters into an agreement with 2806
the county that provides that such division does not apply. The 2807
agreement may provide for payments to the county by the 2808

municipal corporation or township. 2809

(2) Upon entering into an agreement under division (E)(1) 2810
of this section, the municipal corporation or township shall 2811
provide written notice of it to the county auditor of the county 2812
that is a party to the agreement and the tax commissioner. 2813

(F) With respect to a parcel of real property to which 2814
this section applies, the tax commissioner shall notify the 2815
county auditor of the county in which the parcel is located when 2816
a municipal corporation or township has applied for an exemption 2817
from taxation on behalf of the property owner and the exemption 2818
has been granted under section 5715.27 of the Revised Code. 2819

Sec. 5715.27. (A)(1) Except as provided in division (A)(2) 2820
of this section and in section 3735.67 of the Revised Code, the 2821
owner, a vendee in possession under a purchase agreement or a 2822
land contract, the beneficiary of a trust, or a lessee for an 2823
initial term of not less than thirty years of any property may 2824
file an application with the tax commissioner, on forms 2825
prescribed by the commissioner, requesting that such property be 2826
exempted from taxation and that taxes, interest, and penalties 2827
be remitted as provided in division (C) of section 5713.08 of 2828
the Revised Code. 2829

(2) If the property that is the subject of the application 2830
for exemption is any of the following, the application shall be 2831
filed with the county auditor of the county in which the 2832
property is listed for taxation: 2833

(a) A public road or highway; 2834

(b) Property belonging to the federal government of the 2835
United States; 2836

(c) Additions or other improvements to an existing 2837
building or structure that belongs to the state or a political 2838
subdivision, as defined in section 5713.081 of the Revised Code, 2839

and that is exempted from taxation as property used exclusively 2840
for a public purpose; 2841

(d) Property of the boards of trustees and of the housing 2842
commissions of the state universities, the northeastern Ohio 2843
universities college of medicine, and of the state to be 2844
exempted under section 3345.17 of the Revised Code. 2845

(B) The board of education of any school district may 2846
request the tax commissioner or county auditor to provide it 2847
with notification of applications for exemption from taxation 2848
for property located within that district. If so requested, the 2849
commissioner or auditor shall send to the board on a monthly 2850
basis reports that contain sufficient information to enable the 2851
board to identify each property that is the subject of an 2852
exemption application, including, but not limited to, the name 2853
of the property owner or applicant, the address of the property, 2854
and the auditor's parcel number. The commissioner or auditor 2855
shall mail the reports by the fifteenth day of the month 2856
following the end of the month in which the commissioner or 2857
auditor receives the applications for exemption. 2858

(C) A board of education that has requested notification 2859
under division (B) of this section may, with respect to any 2860
application for exemption of property located in the district 2861
and included in the commissioner's or auditor's most recent 2862
report provided under that division, file a statement with the 2863
commissioner or auditor and with the applicant indicating its 2864
intent to submit evidence and participate in any hearing on the 2865
application. The statements shall be filed prior to the first 2866
day of the third month following the end of the month in which 2867
that application was docketed by the commissioner or auditor. A 2868
statement filed in compliance with this division entitles the 2869
district to submit evidence and to participate in any hearing on 2870
the property and makes the district a party for purposes of 2871
sections 5717.02 to 5717.04 of the Revised Code in any appeal of 2872

the commissioner's or auditor's decision to the board of tax appeals. 2873
2874

(D) The commissioner or auditor shall not hold a hearing 2875
on or grant or deny an application for exemption of property in 2876
a school district whose board of education has requested 2877
notification under division (B) of this section until the end of 2878
the period within which the board may submit a statement with 2879
respect to that application under division (C) of this section. 2880
The commissioner or auditor may act upon an application at any 2881
time prior to that date upon receipt of a written waiver from 2882
each such board of education, or, in the case of exemptions 2883
authorized by section 725.02, 1728.10, 5709.40, 5709.41, 2884
5709.411, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 2885
5709.84, or 5709.88 of the Revised Code, upon the request of the 2886
property owner. Failure of a board of education to receive the 2887
report required in division (B) of this section shall not void 2888
an action of the commissioner or auditor with respect to any 2889
application. The commissioner or auditor may extend the time for 2890
filing a statement under division (C) of this section. 2891

(E) A complaint may also be filed with the commissioner or 2892
auditor by any person, board, or officer authorized by section 2893
5715.19 of the Revised Code to file complaints with the county 2894
board of revision against the continued exemption of any 2895
property granted exemption by the commissioner or auditor under 2896
this section. 2897

(F) An application for exemption and a complaint against 2898
exemption shall be filed prior to the thirty-first day of 2899
December of the tax year for which exemption is requested or for 2900
which the liability of the property to taxation in that year is 2901
requested. The commissioner or auditor shall consider such 2902
application or complaint in accordance with procedures 2903
established by the commissioner, determine whether the property 2904
is subject to taxation or exempt therefrom, and, if the 2905

commissioner makes the determination, certify the determination 2906
to the auditor. Upon making the determination or receiving the 2907
commissioner's determination, the auditor shall correct the tax 2908
list and duplicate accordingly. If a tax certificate has been 2909
sold under section 5721.32 or 5721.33 of the Revised Code with 2910
respect to property for which an exemption has been requested, 2911
the tax commissioner or auditor shall also certify the findings 2912
to the county treasurer of the county in which the property is 2913
located. 2914

(G) Applications and complaints, and documents of any kind 2915
related to applications and complaints, filed with the tax 2916
commissioner or county auditor under this section are public 2917
records within the meaning of section 149.43 of the Revised 2918
Code. 2919

(H) If the commissioner or auditor determines that the use 2920
of property or other facts relevant to the taxability of 2921
property that is the subject of an application for exemption or 2922
a complaint under this section has changed while the application 2923
or complaint was pending, the commissioner or auditor may make 2924
the determination under division (F) of this section separately 2925
for each tax year beginning with the year in which the 2926
application or complaint was filed or the year for which 2927
remission of taxes under division (C) of section 5713.08 of the 2928
Revised Code was requested, and including each subsequent tax 2929
year during which the application or complaint is pending before 2930
the commissioner or auditor. 2931

Section 2. That existing sections 133.04, 133.06, 149.311, 2932
709.024, 709.19, 3317.021, 4582.56, 5501.311, 5709.12, 5709.121, 2933
5709.82, 5709.83, 5709.831, 5709.832, 5709.85, 5709.91, 2934
5709.911, 5709.913, and 5715.27 of the Revised Code are hereby 2935
repealed. 2936

Section 3. The amendment by this act of section 5709.121 2937

of the Revised Code applies to tax years ending on or after the 2938
effective date of this act. 2939

Section 4. The General Assembly, applying the principle 2940
stated in division (B) of section 1.52 of the Revised Code that 2941
amendments are to be harmonized if reasonably capable of 2942
simultaneous operation, finds that the following sections, 2943
presented in this act as composites of the sections as amended 2944
by the acts indicated, are the resulting versions of the 2945
sections in effect prior to the effective date of the sections 2946
as presented in this act: 2947

Section 149.311 of the Revised Code as amended by both Am. 2948
Sub. H.B. 483 and Am. Sub. H.B. 486 of the 130th General 2949
Assembly. 2950

Section 5709.12 of the Revised Code as amended by both Am. 2951
Sub. H.B. 483 and Sub. S.B. 172 of the 130th General Assembly. 2952