

**As Reported by the Senate Ways and Means Committee**

**134th General Assembly**

**Regular Session**

**2021-2022**

**Sub. H. B. No. 95**

**Representatives Manchester, Lightbody**

**Cosponsors: Representatives Cross, Bird, Koehler, Russo, Brent, Riedel, Lanese, LaRe, Lipps, Kick, Troy, Miller, J., Weinstein, Galonski, Carfagna, Loychik, Stoltzfus, Fowler Arthur, Stephens, Ingram, Stein, Miller, A., Creech, Baldrige, Jones, O'Brien, Blackshear, Boggs, Boyd, Click, Crawley, Crossman, Denson, Ghanbari, Ginter, Hall, Hicks-Hudson, Hillyer, Hoops, Jarrells, John, Johnson, Lampton, Leland, Lepore-Hagan, Liston, McClain, Miller, K., Oelslager, Pavliga, Plummer, Robinson, Roemer, Schmidt, SobECKi, Stewart, Sweeney, Upchurch, West, White, Wiggam, Young, B., Young, T., Speaker Cupp**

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**A BILL**

To amend sections 4517.22, 5709.911, and 5747.98 1  
and to enact sections 901.61, 5709.916, and 2  
5747.77 of the Revised Code to temporarily allow 3  
income tax credits for beginning farmers who 4  
participate in a financial management program 5  
and for businesses that sell or rent 6  
agricultural land, livestock, facilities, or 7  
equipment to beginning farmers, to modify the 8  
law governing certain tax increment financing 9  
arrangements, to alter the types of vehicles 10  
that may be purchased at a motor vehicle show, 11  
and to permit, for a limited time, the abatement 12  
of unpaid taxes, penalties, and interest for 13  
certain municipal property. 14

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

**Section 1.** That sections 4517.22, 5709.911, and 5747.98 be 15  
amended and sections 901.61, 5709.916, and 5747.77 of the 16  
Revised Code be enacted to read as follows: 17

**Sec. 901.61.** (A) As used in this section: 18

(1) "Agricultural asset" means agricultural land, 19  
livestock, facilities, buildings, and machinery used for 20  
agricultural production in this state. 21

(2) "Agricultural land" means land that is composed of 22  
tracts, lots, or parcels totaling not less than ten acres 23  
devoted to agricultural production or totaling less than ten 24  
acres devoted to agricultural production if the land produces an 25  
average yearly gross income of at least two thousand five 26  
hundred dollars from agricultural production. 27

(3) "Agricultural production" has the same meaning as in 28  
section 929.01 of the Revised Code. 29

(4) "Beginning farmer" means an individual who has been 30  
certified as a beginning farmer by the director of agriculture 31  
or a participating land grant college under division (B) of this 32  
section or who has received a substantially equivalent 33  
certification from the United States department of agriculture. 34  
"Beginning farmer" does not include an individual who has 35  
previously been certified as a beginning farmer but no longer 36  
meets the criteria for certification. 37

(5) "Owner of agricultural assets" means a person that is 38  
the owner in fee of agricultural land or that has legal title to 39  
any other agricultural asset. An "owner of agricultural assets" 40  
does not include an equipment dealer or comparable entity 41  
engaged in the business of selling agricultural assets for 42  
profit. 43

(6) "Share rent agreement" means a rental agreement in 44  
which the principal consideration given to the owner of 45  
agricultural assets is a predetermined portion of the production 46  
of the agricultural products produced from the rented 47  
agricultural assets and which provides for sharing production 48  
costs or risk of loss. 49

(7) "Participating land grant college" or "college" means 50  
a state university, as defined in section 3345.011 of the 51  
Revised Code, that is designated a land grant college under the 52  
federal "Morrill Act of 1862," 7 U.S.C. 301 et seq., or the 53  
"Agricultural College Act of 1890," 7 U.S.C. 321 et seq., and 54  
that elects to participate in certifying individuals as 55  
beginning farmers under this section. 56

(B) For the purposes of the tax credit authorized in 57  
division (A) of section 5747.77 of the Revised Code, the 58  
director of agriculture and participating land grant colleges 59  
shall certify individuals as beginning farmers. An individual 60  
may apply to the director or college for certification, and the 61  
director or college shall provide the certification if the 62  
director or college determines that the individual meets all of 63  
the requirements of this division. The certification is valid 64  
until the individual no longer meets all of the requirements of 65  
this division. To qualify, the individual must be a resident of 66  
this state and: 67

(1) Be seeking entry, or have entered within the last ten 68  
years, into farming; 69

(2) Farm, or intend to farm, land in this state; 70

(3) Not be a partner, member, shareholder, or trustee of 71  
the owner of the agricultural assets the individual is seeking 72

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| <u>to purchase or rent.</u>   | 73  |
| <u>(4) Have a total net worth, including the assets and</u>             | 74  |
| <u>liabilities of the individual's spouse and dependents, of less</u>   | 75  |
| <u>than eight hundred thousand dollars in 2021 and an amount in</u>     | 76  |
| <u>subsequent years which is adjusted for inflation by multiplying</u>  | 77  |
| <u>that amount by the cumulative inflation rate as determined by</u>    | 78  |
| <u>the consumer price index (all items) prepared by the United</u>      | 79  |
| <u>States bureau of labor statistics.</u>                               | 80  |
| <u>(5) Provide the majority of the day-to-day physical labor</u>        | 81  |
| <u>for and management of the farm;</u>                                  | 82  |
| <u>(6) Have adequate farming experience or demonstrate</u>              | 83  |
| <u>knowledge in the type of farming for which the individual seeks</u>  | 84  |
| <u>assistance;</u>  | 85  |
| <u>(7) Submit projected earnings statements and demonstrate a</u>       | 86  |
| <u>profit potential;</u>  | 87  |
| <u>(8) Demonstrate that farming will be a significant source</u>        | 88  |
| <u>of income for the individual;</u>                                    | 89  |
| <u>(9) Participate in a financial management program approved</u>       | 90  |
| <u>under division (C) of this section;</u>                              | 91  |
| <u>(10) Meet any other requirements prescribed by the</u>               | 92  |
| <u>director.</u>  | 93  |
| <u>(C) For the purposes of the tax credit authorized in</u>             | 94  |
| <u>division (B) of section 5747.77 of the Revised Code, the</u>         | 95  |
| <u>director of agriculture, in consultation with the participating</u>  | 96  |
| <u>land grant colleges, shall certify financial management programs</u> | 97  |
| <u>that would qualify a beginning farmer for the credit authorized</u>  | 98  |
| <u>under that division. The director and colleges shall establish a</u> | 99  |
| <u>procedure for certifying such programs and shall maintain a list</u> | 100 |

of certified programs on the web site of the department of 101  
agriculture. 102

(D) (1) The owner of agricultural assets who sells 103  
agricultural assets to a beginning farmer during the calendar 104  
year or who rents agricultural assets to a beginning farmer 105  
during the calendar year or in either of the two preceding 106  
calendar years may apply to the director of agriculture, on 107  
forms prescribed by the director, for a tax credit under 108  
division (A) of section 5747.77 of the Revised Code, provided, 109  
in the case of a rental, the asset is rented at prevailing 110  
community rates, as determined under the rules adopted under 111  
division (G) of this section. The application shall identify or 112  
include all of the following: 113

(a) The name of the beginning farmer; 114

(b) The date the sale was made or the date the lease was 115  
entered into; 116

(c) If applying for the credit on the basis of the sale of 117  
an agricultural asset, the sale price of the asset; 118

(d) If applying for the credit on the basis of renting an 119  
agricultural asset: 120

(i) The duration of the lease; 121

(ii) Proof that the asset is rented at prevailing 122  
community rates; 123

(iii) The amount, in cash equivalent, of the gross rental 124  
income received during the taxable year for which the credit is 125  
sought; 126

(iv) Whether the asset is rented pursuant to a share rent 127  
agreement. 128

(2) The director shall approve an application received 129  
under this section if the director determines that the applicant 130  
is eligible for the credit and if awarding the credit would not 131  
cause the limit described in division (F) of this section to be 132  
exceeded. The director shall issue a tax credit certificate to 133  
an approved applicant listing the amount of the credit the 134  
applicant is authorized to claim under division (A) of section 135  
5747.77 of the Revised Code, which shall equal three and ninety- 136  
nine one-hundredths per cent of one of the following: 137

(a) The sale price of the agricultural asset; 138

(b) The gross rental income received during the calendar 139  
year pursuant to a rental agreement, provided the agreement was 140  
entered into on or after the first day of the second preceding 141  
calendar year; 142

(c) The gross rental income received during the taxable 143  
year pursuant to a share rent agreement, provided the agreement 144  
was entered into on or after the first day of the second 145  
preceding calendar year. 146

(E) A beginning farmer may apply to the director of 147  
agriculture, on forms prescribed by the director, for a tax 148  
credit under division (B) of section 5747.77 of the Revised Code 149  
equal to the cost the individual incurred during the calendar 150  
year for participating in a financial management program 151  
approved under division (C) of this section or a substantially 152  
equivalent financial management program approved by the United 153  
States department of agriculture. The application shall include 154  
all of the following: 155

(1) The name and address of the financial management 156  
program; 157

(2) The costs the individual incurs for participating in 158  
that program; 159

(3) The date or dates the individual participated in that 160  
program. 161

The director shall approve an application received under 162  
this section if the director determines that the applicant is 163  
eligible for the credit and if awarding the credit would not 164  
cause the limit described in division (F) of this section to be 165  
exceeded. The director shall issue a tax credit certificate to 166  
an approved applicant listing the amount of the credit the 167  
applicant is authorized to claim under division (B) of section 168  
5747.77 of the Revised Code. 169

(F) The director may not issue more than ten million 170  
dollars in tax credit certificates under divisions (D) and (E) 171  
of this section. The director may not issue tax credit 172  
certificates under this section on or after the first day of 173  
January of the sixth calendar year beginning after the effective 174  
date of this section. 175

(G) The director of agriculture, in consultation with the 176  
tax commissioner, may adopt any rules necessary to administer 177  
this section, including a rule prescribing the method for 178  
determining prevailing community rental rates. 179

**Sec. 4517.22.** (A) As used in this section: 180

(1) "General market area" means the contiguous 181  
geographical area established by a motor vehicle show sponsor 182  
that is based upon the size of the show and that does not 183  
unreasonably exclude any licensed new motor vehicle dealer. 184

(2) "Gross vehicle weight rating" means the ~~unladen~~ maximum 185  
weight ~~of~~ while loaded at which a motor vehicle ~~fully~~ 186

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| <del>equipped can safely operate as rated by its manufacturer.</del> | 187 |
| (3) "Livestock trailer" means a new or used trailer                  | 188 |
| designed by its manufacturer to be used to transport horses or       | 189 |
| to transport animals generally used for food or in the               | 190 |
| production of food, including cattle, sheep, goats, rabbits,         | 191 |
| poultry, swine, and any other animals included by the director       | 192 |
| of agriculture in rules adopted under section 901.72 of the          | 193 |
| Revised Code.  | 194 |
| (4) "Major livestock show" means any show of livestock               | 195 |
| that is held at the Ohio state fairgrounds, is national in           | 196 |
| scope, and that continues for more than ten consecutive days.        | 197 |
| (5) "Motor vehicle show" means a display of new motor                | 198 |
| vehicles that lasts not more than ten days by more than one new      | 199 |
| motor vehicle dealer dealing in competitive types of motor           | 200 |
| vehicles and that is authorized by the registrar of motor            | 201 |
| vehicles primarily to allow the general public an opportunity to     | 202 |
| compare and inspect a variety of makes and models                    | 203 |
| simultaneously, test drive vehicles, and gain an understanding       | 204 |
| of new technology and available features.                            | 205 |
| <del>(6) "Truck" has the same meaning as in section 4511.01 of</del> | 206 |
| <del>the Revised Code.</del>   | 207 |
| (B) Any group of licensed new motor vehicle dealers may              | 208 |
| display motor vehicles at a motor vehicle show within the            | 209 |
| general market area assigned by the sponsor if, not less than        | 210 |
| thirty days before the planned opening date of the motor vehicle     | 211 |
| show, the sponsor executes and files with the registrar an           | 212 |
| affidavit, in a form prescribed by the registrar, that certifies     | 213 |
| that all requirements of this section have been or will be met,      | 214 |
| as applicable.   | 215 |



If the registrar approves the affidavit, the registrar 216  
shall grant the sponsor permission to conduct the motor vehicle 217  
show. If the registrar determines that there is a deficiency in 218  
the affidavit, the registrar shall inform the sponsor of the 219  
deficiency as soon as possible after the registrar receives the 220  
affidavit so that the sponsor has the opportunity to remedy the 221  
deficiency. The registrar also shall describe with specificity 222  
the measures the sponsor is required to take in order to cure 223  
the deficiency. The sponsor shall return the corrected affidavit 224  
to the registrar not later than before the planned opening date 225  
of the motor vehicle show in order for the sponsor to be 226  
eligible to hold the show. If the registrar finds that the 227  
deficiency has been cured in the corrected affidavit, the 228  
registrar shall grant the sponsor permission to conduct the 229  
motor vehicle show. If the registrar finds that the deficiency 230  
has not been cured, the registrar shall deny the sponsor 231  
permission to conduct the motor vehicle show. 232

(C) No contracts shall be signed, deposits taken, or sales 233  
consummated at the location of a motor vehicle show. 234

(D) Any sponsor of a motor vehicle show or the sponsor's 235  
representative shall offer by mail an invitation to all new 236  
motor vehicle dealers dealing in competitive types of motor 237  
vehicles in the general market area to participate and display 238  
motor vehicles in the show. The sponsor or representative may 239  
offer a similar invitation to manufacturers or distributors. A 240  
copy of each invitation shall be retained by the sponsor for one 241  
year after the show. 242

(E) A manufacturer or distributor may hold in any public 243  
place a motor vehicle show at which only one motor vehicle is 244  
displayed, but no such single unit show shall be held unless the 245

manufacturer or distributor executes and files with the 246  
registrar not less than thirty days before the show an 247  
affidavit, in a form prescribed by the registrar, that certifies 248  
that all requirements of this section have been or will be met, 249  
as applicable, and subsequently receives approval of that 250  
affidavit from the registrar. 251

(F) The registrar shall not grant permission for any motor 252  
vehicle show to be held, unless it is proven to the registrar's 253  
satisfaction that no attempt is being made to circumvent the 254  
provisions of sections 4517.01 to 4517.45 of the Revised Code. 255

(G) Nothing contained in this section shall be construed 256  
as prohibiting the taking of orders for nonmotorized 257  
recreational vehicles as defined in section 4501.01 of the 258  
Revised Code at sports or camping shows. 259

(H) No motor vehicle dealer, motor vehicle leasing dealer, 260  
motor vehicle auction owner, or distributor licensed under 261  
sections 4517.01 to 4517.45 of the Revised Code shall display a 262  
motor vehicle at any place except the dealer's, owner's, or 263  
distributor's licensed location, unless the dealer, owner, or 264  
distributor first obtains permission from the registrar and 265  
complies with the applicable rules of the motor vehicle dealers 266  
board or the display is authorized pursuant to section 4517.221 267  
of the Revised Code. 268

(I) Nothing contained in this section shall be construed 269  
as prohibiting the display of, the taking of orders for, or the 270  
sale of, livestock trailers at livestock and agricultural shows, 271  
including county fairs. Notwithstanding section 4517.03 of the 272  
Revised Code, livestock trailers may be sold at livestock and 273  
agricultural shows, including county fairs, as permitted by this 274  
division. 275

(J) Notwithstanding any provision of this section to the contrary, for a period not to exceed thirty days, contracts may be signed, deposits taken, and sales consummated at the location of a motor vehicle show ~~where the~~ if all of the following apply:

(1) The motor vehicles involved are horse trailers or ~~towing motor~~ vehicles that ~~are trucks and~~ have a gross vehicle weight rating of six thousand eight hundred pounds or more ~~than three quarters of a ton, the.~~

(2) The motor vehicle show is being held as part of or in connection with a major livestock show, ~~the.~~

(3) The licensed new motor vehicle dealers involved have complied with the applicable requirements of this section, ~~and the.~~

(4) The registrar has granted permission for the motor vehicle show in accordance with division (F) of this section.

(K) (1) Notwithstanding division (H) of this section, if, pursuant to division (B) of this section, the registrar has granted a show representative permission to hold a motor vehicle show at the annual fair of a county or independent agricultural society and if the society files a certification under division (K) (2) of this section, a new motor vehicle dealer may display motor vehicles at that annual fair even if no other new motor vehicle dealer displays competitive makes and models at the fair.

(2) To obtain a waiver under division (K) (1) of this section, a county or independent agricultural society shall certify all of the following:

(a) That an invitation was sent to all new motor vehicle dealers within the county where the fair is held;

(b) That the terms of the invitation were reasonable and nondiscriminatory; 305  
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(c) That only one new motor vehicle dealer accepted the invitation. 307  
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(L) (1) Until six months after ~~the effective date of this amendment~~ March 23, 2015, whoever violates this section or section 4517.221 of the Revised Code is guilty of a misdemeanor of the fourth degree. 309  
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(2) The board shall adopt rules establishing the amount of a penalty for a violation of this section or section 4517.221 of the Revised Code, which shall not exceed one thousand dollars for each violation. 313  
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(3) Beginning six months after ~~the effective date of this amendment~~ March 23, 2015, after finding, pursuant to adjudication conducted in accordance with Chapter 119. of the Revised Code, that a person has violated this section or section 4517.221 of the Revised Code, the board may order the person to pay an administrative penalty described in division (L) (2) of this section for each violation in accordance with the rule adopted by the board. 317  
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(4) For purposes of the administrative penalties described in divisions (L) (2) and (3) of this section, each sale that occurs in violation of this section or section 4517.221 of the Revised Code and each day that a violation occurs or continues to occur constitutes a separate violation. 325  
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(5) All penalties collected pursuant to division (L) (3) of this section shall be paid to the title defect rescission fund established in section 1345.52 of the Revised Code. 330  
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**Sec. 5709.911.** (A) (1) A municipal corporation, township, 333

or county that has enacted an ordinance or resolution under 334  
section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 335  
Revised Code or that has entered into an agreement referred to 336  
in section 725.02 or 1728.07 of the Revised Code may file an 337  
application for exemption under those sections in the same 338  
manner as other real property tax exemptions, notwithstanding 339  
the indication in division (A) of section 5715.27 of the Revised 340  
Code that the owner of the property may file the application. An 341  
application for exemption may not be filed by a municipal 342  
corporation, township, or county for an exemption of a parcel 343  
under section 5709.40, 5709.73, or 5709.78 of the Revised Code 344  
if the property owner excludes the property from such exemption 345  
as provided in that section. 346

(2) Except as provided in division (B) of this section, if 347  
the application for exemption under section 725.02, 1728.10, 348  
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 349  
Code is filed by a municipal corporation, township, or county 350  
and more than one real property tax exemption applies by law to 351  
the property or a portion of the property, both of the following 352  
apply: 353

(a) An exemption granted under section 725.02, 1728.10, 354  
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 355  
Code shall be subordinate to an exemption with respect to the 356  
property or portion of the property granted under any other 357  
provision of the Revised Code. 358

(b) Neither service payments in lieu of taxes under 359  
section 725.04, 5709.42, 5709.46, 5709.74, or 5709.79 of the 360  
Revised Code, nor service charges in lieu of taxes under section 361  
1728.11 or 1728.111 of the Revised Code, shall be required with 362  
respect to the property or portion of the property that is 363

exempt from real property taxes under that other provision of 364  
the Revised Code during the effective period of the exemption. 365

(B)(1) If the application for exemption under section 366  
725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 367  
of the Revised Code is filed by the owner of the property or by 368  
a municipal corporation, township, or county with the owner's 369  
written consent attached to the application, and if more than 370  
one real property tax exemption applies by law to the property 371  
or a portion of the property, no other exemption shall be 372  
granted for the portion of the property already exempt under 373  
section 725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 374  
5709.78 of the Revised Code unless the municipal corporation, 375  
township, or county that enacted the authorizing ordinance or 376  
resolution for the earlier exemption provides its duly 377  
authorized written consent to the subsequent exemption by means 378  
of a duly enacted ordinance or resolution. 379

(2) If the application for exemption under section 725.02, 380  
1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 381  
Revised Code is filed by a municipal corporation, township, or 382  
county and approved by the tax commissioner, if the owner of the 383  
property subsequently provides written consent to the exemption 384  
and the consent is filed with the tax commissioner, and if more 385  
than one real property tax exemption applies by law to the 386  
property or a portion of the property, no other exemption shall 387  
be granted for the portion of the property already exempt under 388  
section 725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 389  
5709.78 of the Revised Code unless the municipal corporation, 390  
township, or county that enacted the authorizing ordinance or 391  
resolution for the earlier exemption provides its duly 392  
authorized written consent to the subsequent exemption by means 393  
of a duly enacted ordinance or resolution. 394

~~(C) (1)~~ (C) After the tax commissioner has approved or 395  
partially approved an application for exemption filed by or with 396  
the consent of a property owner under the circumstances 397  
described in division (B) (1) of this section or if a property 398  
owner subsequently provides written consent to an exemption 399  
under the circumstances described in division (B) (2) of this 400  
section, the municipal corporation, township, county, or 401  
property owner shall file ~~a notice~~ one of the following with the 402  
county recorder for the county in which the property is located: 403

(1) A notice that clearly identifies the property and the 404  
owner of the property and states that the property, regardless 405  
of future use or ownership, remains liable for any service 406  
payments or service charges required by the exemption until the 407  
terms of the exemption have been satisfied, unless the municipal 408  
corporation, township, or county consents to the subsequent 409  
exemption and relinquishes its right to collect the service 410  
payments or service charges as provided in division (B) (1) or 411  
(2) of this section, as applicable; 412

(2) An agreement, declaration, or covenant by which the 413  
owner of the property subject to the exemption binds the owner 414  
and the property, regardless of future use or ownership, to the 415  
obligation to make service payments or service charges in lieu 416  
of taxes as required by the exemption until the terms of the 417  
exemption have been satisfied, unless the municipal corporation, 418  
township, or county consents to the subsequent exemption and 419  
relinquishes its right to collect the service payments or 420  
service charges as provided in division (B) (1) or (2) of this 421  
section, as applicable. 422

The county recorder's office shall charge a fee of 423  
fourteen dollars to record the notice, agreement, declaration, 424

or covenant, the proceeds of which shall be retained by the 425  
county. 426

~~(2) If a property owner subsequently provides written 427  
consent to an exemption under the circumstances described in 428  
division (B) (2) of this section, the municipal corporation, 429  
township, county, or property owner shall file notice with the 430  
county recorder for the county in which the property is located 431  
that clearly identifies the property and the owner of the 432  
property and states that the property, regardless of future use 433  
or ownership, remains liable for any service payments or service 434  
charges required by the exemption until the terms of the 435  
exemption have been satisfied, unless the municipal corporation, 436  
township, or county consents to the subsequent exemption and 437  
relinquishes its right to collect the service payments or 438  
service charges as provided in division (B) (2) of this section. 439  
The county recorder's office shall charge a fee of fourteen 440  
dollars to record the notice, the proceeds of which shall be 441  
retained by the county. 442~~

(D) Upon filing of the notice, agreement, declaration, or 443  
covenant with the county recorder, the provisions of division 444  
(B) of this section are binding on all future owners of the 445  
property or portion of the property, regardless of how the 446  
property is used. Failure to file ~~the a notice, agreement, 447  
declaration, or covenant~~ with the county recorder relieves 448  
future owners of the property from the obligation to make 449  
service payments in lieu of taxes under section 725.04, 5709.42, 450  
5709.46, 5709.74, or 5709.79 of the Revised Code or service 451  
charges in lieu of taxes under section 1728.11 or 1728.111 of 452  
the Revised Code, if the property or a portion of the property 453  
later qualifies for exemption under any other provision of the 454  
Revised Code. Failure to file ~~the a notice, agreement, 455~~



declaration, or covenant does not, however, relieve the owner of 456  
the property, at the time the application for exemption is 457  
filed, from making those payments or charges. 458

**Sec. 5709.916.** (A) As used in this section, "incentive 459  
district ordinance" means an ordinance adopted under division 460  
(C) of section 5709.40 of the Revised Code. 461

(B) Notwithstanding any contrary provision of section 462  
5709.40, 5709.41, 5709.42, 5709.43, or 5709.911 of the Revised 463  
Code, divisions (C) and (D) of this section apply to any 464  
exemption granted by a municipal corporation by an ordinance 465  
adopted under division (B) of section 5709.40 or section 5709.41 466  
of the Revised Code before March 1, 2022, declaring improvements 467  
to one or more parcels of real property located within an 468  
existing incentive district, created by an incentive district 469  
ordinance adopted by the same municipal corporation, to be a 470  
public purpose and concurrently exempting a percentage of such 471  
improvements from real property taxation. 472

(C) For the period that the exemptions are concurrent 473  
under division (B) of this section: 474

(1) With respect to improvements exempted under only the 475  
incentive district ordinance, the exemption percentage, any 476  
payments required to a city, local, or exempted village school 477  
district or county, and the purposes for which the remaining 478  
service payment revenue is used shall be determined based on 479  
that ordinance. 480

(2) With respect to improvements that are concurrently 481  
exempt under both the incentive district ordinance and the 482  
subsequent ordinance adopted as specified under division (B) of 483  
this section, the exemption percentage equals the sum of the 484

exemption percentages authorized by each such ordinance, not to 485  
exceed one hundred per cent. Service payments shall be collected 486  
under section 5709.42 of the Revised Code based on that 487  
cumulative exemption percentage. The service payment revenue, 488  
net of any required payments to city, local, or exempted village 489  
school districts or counties, shall first be directed and used 490  
in accordance with the ordinance that authorizes the dominant 491  
exemption, as determined under division (D) of this section. If 492  
the dominant exemption is less than one hundred per cent, the 493  
service payment revenue attributed to the remaining portion of 494  
the exempt improvements shall be distributed and used in 495  
accordance with the ordinance that authorizes the subordinate 496  
exemption, as determined under division (D) of this section. 497

(3) The property owner shall not be required to pay as 498  
service payments in lieu of taxes under section 5709.42 of the 499  
Revised Code an amount that is greater than the amount of real 500  
property taxes the owner would have been required to pay on the 501  
improvements exempted by the incentive district ordinance and 502  
the subsequent ordinance adopted as specified under division (B) 503  
of this section. Division (C) (3) of this section does not apply 504  
to "minimum service payment obligations," as defined in section 505  
5709.91 of the Revised Code. 506

(D) For purposes of division (C) of this section: 507

(1) If one application for exemption is filed by the 508  
municipal corporation, as described in division (A) of section 509  
5709.911 of the Revised Code, without written consent of the 510  
property owner and the other application for exemption is filed 511  
by the property owner or with the property owner's consent, as 512  
described in division (B) (1) or (2) of section 5709.911 of the 513  
Revised Code, the exemption granted or sought in the application 514

filed or consented to by the owner is dominant, and the 515  
exemption granted or sought in the application filed by the 516  
municipal corporation without the owner's consent is 517  
subordinate. 518

(2) If both applications for exemption are filed by the 519  
municipal corporation, as described in division (A) of section 520  
5709.911 of the Revised Code, without written consent of the 521  
property owner, the most recently authorized exemption is 522  
dominant, and the earlier authorized exemption is subordinate. 523

(3) If both applications for exemption are filed by the 524  
property owner or with the property owner's consent, as 525  
described in division (B) (1) or (2) of section 5709.911 of the 526  
Revised Code, the most recently authorized exemption is 527  
dominant, and the earlier authorized exemption is subordinate. 528

(E) On and after March 1, 2022, an ordinance adopted under 529  
division (B) or (C) of section 5709.40 or section 5709.41 of the 530  
Revised Code exempting improvements to a parcel from real 531  
property taxation terminates and replaces any prior exemption of 532  
improvements to the same parcel authorized by a previous 533  
ordinance adopted by the same municipal corporation under 534  
division (B) or (C) of section 5709.40 or section 5709.41 of the 535  
Revised Code, regardless of whether the application for 536  
exemption under either or both ordinances was filed by, or with 537  
the consent of, the property owner. A municipal ordinance 538  
adopted under division (B) or (C) of section 5709.40 or section 539  
5709.41 of the Revised Code before that date may terminate and 540  
replace a prior exemption of improvements to the same parcel by 541  
the same municipal corporation in the manner prescribed by this 542  
division if the ordinance clearly expresses that intent. 543

**Sec. 5747.77.** (A) There is hereby allowed a nonrefundable 544

credit against a taxpayer's aggregate liability under section 545  
5747.02 of the Revised Code for a taxpayer that is issued a 546  
credit certificate under division (D) of section 901.61 of the 547  
Revised Code. The credit shall be claimed for the taxable year 548  
during which the certificate is issued. 549

The credit shall be claimed in the order required under 550  
section 5747.98 of the Revised Code. If a credit exceeds the 551  
aggregate amount of tax otherwise due for a taxable year, the 552  
excess may be carried forward and applied against the tax due 553  
for not more than seven succeeding taxable years, provided that 554  
the amount applied to the tax due for any taxable year shall be 555  
subtracted from the amount available to carry forward to 556  
succeeding years. 557

(B) There is hereby allowed a nonrefundable credit against 558  
a taxpayer's aggregate liability under section 5747.02 of the 559  
Revised Code for a taxpayer that is issued a credit certificate 560  
under division (E) of section 901.61 of the Revised Code. The 561  
credit shall be claimed for the taxable year during which the 562  
certificate is issued. 563

The credit shall be claimed in the order required under 564  
section 5747.98 of the Revised Code. If a credit exceeds the 565  
aggregate amount of tax otherwise due for the taxable year, the 566  
excess may be carried forward and applied against the tax due 567  
for not more than three succeeding taxable years, provided that 568  
the amount applied to the tax due for any taxable year shall be 569  
subtracted from the amount available to carry forward to 570  
succeeding years. 571

**Sec. 5747.98.** (A) To provide a uniform procedure for 572  
calculating a taxpayer's aggregate tax liability under section 573  
5747.02 of the Revised Code, a taxpayer shall claim any credits 574

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| to which the taxpayer is entitled in the following order:   | 575                      |
| Either the retirement income credit under division (B) of section 5747.055 of the Revised Code or the lump sum retirement income credits under divisions (C), (D), and (E) of that section; | 576<br>577<br>578<br>579 |
| Either the senior citizen credit under division (F) of section 5747.055 of the Revised Code or the lump sum distribution credit under division (G) of that section;                         | 580<br>581<br>582        |
| The dependent care credit under section 5747.054 of the Revised Code;   | 583<br>584               |
| The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;  | 585<br>586               |
| The campaign contribution credit under section 5747.29 of the Revised Code;   | 587<br>588               |
| The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;   | 589<br>590               |
| The joint filing credit under division (G) of section 5747.05 of the Revised Code;  | 591<br>592               |
| The earned income credit under section 5747.71 of the Revised Code;   | 593<br>594               |
| The nonrefundable credit for education expenses under section 5747.72 of the Revised Code;  | 595<br>596               |
| The nonrefundable credit for donations to scholarship granting organizations under section 5747.73 of the Revised Code;   | 597<br>598<br>599        |
| The nonrefundable credit for tuition paid to a nonchartered nonpublic school under section 5747.75 of the   | 600<br>601               |

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| Revised Code;   | 602 |
| The nonrefundable vocational job credit under section                 | 603 |
| 5747.057 of the Revised Code;   | 604 |
| The credit for adoption of a minor child under section                | 605 |
| 5747.37 of the Revised Code;  | 606 |
| The nonrefundable job retention credit under division (B)             | 607 |
| of section 5747.058 of the Revised Code;                              | 608 |
| The enterprise zone credit under section 5709.66 of the               | 609 |
| Revised Code;   | 610 |
| <u>The credit for beginning farmers who participate in a</u>          | 611 |
| <u>financial management program under division (B) of section</u>     | 612 |
| <u>5747.77 of the Revised Code;</u>                                   | 613 |
| <u>The credit for selling or renting agricultural assets to</u>       | 614 |
| <u>beginning farmers under division (A) of section 5747.77 of the</u> | 615 |
| <u>Revised Code;</u>  | 616 |
| The credit for purchases of qualifying grape production               | 617 |
| property under section 5747.28 of the Revised Code;                   | 618 |
| The small business investment credit under section 5747.81            | 619 |
| of the Revised Code;  | 620 |
| The nonrefundable lead abatement credit under section                 | 621 |
| 5747.26 of the Revised Code;  | 622 |
| The opportunity zone investment credit under section                  | 623 |
| 122.84 of the Revised Code;   | 624 |
| The enterprise zone credits under section 5709.65 of the              | 625 |
| Revised Code;   | 626 |
| The research and development credit under section 5747.331            | 627 |
| of the Revised Code;  | 628 |

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| The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;  | 629<br>630                                    |
| The nonresident credit under division (A) of section 5747.05 of the Revised Code;   | 631<br>632                                    |
| The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;  | 633<br>634                                    |
| The refundable motion picture and Broadway theatrical production credit under section 5747.66 of the Revised Code;  | 635<br>636                                    |
| The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;   | 637<br>638<br>639                             |
| The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;   | 640<br>641                                    |
| The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;  | 642<br>643<br>644                             |
| The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code;   | 645<br>646<br>647                             |
| The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code.   | 648<br>649                                    |
| (B) For any credit, except the refundable credits enumerated in this section and the credit granted under division (H) of section 5747.08 of the Revised Code, the amount of the credit for a taxable year shall not exceed the taxpayer's aggregate amount of tax due under section 5747.02 of the Revised Code, after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a | 650<br>651<br>652<br>653<br>654<br>655<br>656 |

particular credit may be carried forward if authorized under the 657  
section creating that credit. Nothing in this chapter shall be 658  
construed to allow a taxpayer to claim, directly or indirectly, 659  
a credit more than once for a taxable year. 660

**Section 2.** That existing sections 4517.22, 5709.911, and 661  
5747.98 of the Revised Code are hereby repealed. 662

**Section 3.** The amendment or enactment by this act of 663  
sections 5747.77 and 5747.98 of the Revised Code applies to 664  
taxable years beginning on or after the effective date of this 665  
section. 666

**Section 4.** (A) As used in this section, "qualified 667  
property" means real property (1) owned by a municipal 668  
corporation that acquired the property from the state between 669  
January 1, 2020, and December 31, 2020, and (2) that satisfies 670  
the qualifications for tax exemption under the terms of section 671  
5709.08 of the Revised Code. 672

(B) Notwithstanding sections 5713.08 and 5713.081 of the 673  
Revised Code, the owner of qualified property, at any time on or 674  
before twelve months after the effective date of this section, 675  
may file with the Tax Commissioner an application requesting 676  
that the property be placed on the tax exempt list and that all 677  
unpaid taxes, penalties, and interest on the property be abated. 678

(C) The application shall be made on the form prescribed 679  
by the Tax Commissioner under section 5715.27 of the Revised 680  
Code and shall list the name of the county in which the property 681  
is located; the property's legal description; its taxable value; 682  
the amount in dollars of the unpaid taxes, penalties, and 683  
interest; the date of acquisition of title to the property; the 684  
use of the property during any time that the unpaid taxes 685



accrued; and any other information required by the Tax Commissioner. The county auditor shall supply the required information upon request of the applicant.

(D) Upon request of the applicant, the county treasurer shall determine if all taxes, penalties, and interest that became a lien on the qualified property before it first was used for an exempt purpose have been paid in full. If so, the county treasurer shall issue a certificate to the applicant stating that all such taxes, penalties, and interest have been paid in full. Prior to filing the application with the Tax Commissioner, the applicant shall attach the county treasurer's certificate to it.

(E) Upon receipt of the application and after consideration of it, the Tax Commissioner shall determine if the applicant meets the qualifications set forth in this section, and if so shall issue an order directing that the property be placed on the tax exempt list of the county and that all unpaid taxes, penalties, and interest for every year the property met the qualifications for exemption described in section 5709.08 of the Revised Code be abated. If the Tax Commissioner finds that the property is not now being so used or is being used for a purpose that would foreclose its right to tax exemption, the Tax Commissioner shall issue an order denying the application.

(F) If the Tax Commissioner finds that the property is not entitled to tax exemption and to the abatement of unpaid taxes, penalties, and interest for any of the years for which the owner claims an exemption or abatement, the Tax Commissioner shall order the county treasurer of the county in which the property is located to collect all taxes, penalties, and interest due on the property for those years in accordance with law.

**Section 5.** Pursuant to division (G) of section 5703.95 of 716  
the Revised Code, which states that any bill introduced in the 717  
House of Representatives or the Senate that proposes to enact or 718  
modify one or more tax expenditures should include a statement 719  
explaining the objective of the tax expenditure or its 720  
modification and the sponsor's intent in proposing the tax 721  
expenditure or its modification: 722

The purpose of this act is to help the next generation 723  
enter agriculture by removing some of the existing barriers to 724  
entry and exit. The current tax code structure incentivizes 725  
farmers to hold onto their land until the time of death. The 726  
change proposed by this act will more readily allow succession 727  
to occur during the lifetime of a farmer, allowing beginning 728  
farmers to acquire assets sooner. 729