

**As Introduced**

**134th General Assembly  
Regular Session  
2021-2022**

**S. B. No. 329**

**Senator Schuring**

**Cosponsors: Senators Lang, Hottinger, Brenner, Gavarone, Antonio, Manning,  
Romanchuk**

---

**A BILL**

To amend sections 3735.66 and 5713.08 and to enact 1  
section 5709.58 of the Revised Code to authorize 2  
certain subdivisions to designate areas within 3  
which certain residential property is wholly or 4  
partially exempted from property taxation. 5

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

**Section 1.** That sections 3735.66 and 5713.08 be amended 6  
and section 5709.58 of the Revised Code be enacted to read as 7  
follows: 8

**Sec. 3735.66.** The legislative authorities of municipal 9  
corporations and counties may survey the housing within their 10  
jurisdictions and, after the survey, may adopt resolutions 11  
describing the boundaries of community reinvestment areas which 12  
contain the conditions required for the finding under division 13  
(B) of section 3735.65 of the Revised Code. The findings 14  
resulting from the survey shall be incorporated in the 15  
resolution describing the boundaries of an area. The legislative 16  
authority may stipulate in the resolution that only new 17  
structures or remodeling classified as to use as commercial, 18

industrial, or residential, or some combination thereof, and 19  
otherwise satisfying the requirements of section 3735.67 of the 20  
Revised Code are eligible for exemption from taxation under that 21  
section. If the resolution does not include such a stipulation, 22  
all new structures and remodeling satisfying the requirements of 23  
section 3735.67 of the Revised Code are eligible for exemption 24  
from taxation regardless of classification. Whether or not the 25  
resolution includes such a stipulation, the classification of 26  
the structures or remodeling eligible for exemption in the area 27  
shall at all times be consistent with zoning restrictions 28  
applicable to the area. For the purposes of sections 3735.65 to 29  
3735.70 of the Revised Code, whether a structure or remodeling 30  
composed of multiple units is classified as commercial or 31  
residential shall be determined by resolution or ordinance of 32  
the legislative authority or, in the absence of such a 33  
determination, by the classification of the use of the structure 34  
or remodeling under the applicable zoning regulations. 35

If construction or remodeling classified as residential is 36  
eligible for exemption from taxation, the resolution shall 37  
specify a percentage, not to exceed one hundred per cent, of the 38  
assessed valuation of such property to be exempted. The 39  
percentage specified shall apply to all residential construction 40  
or remodeling for which exemption is granted. The resolution may 41  
state that the exemption is for the public purpose of 42  
encouraging development of adequate affordable housing, 43  
workforce housing, or housing addressing a housing shortage. 44

The resolution adopted pursuant to this section shall be 45  
published in a newspaper of general circulation in the municipal 46  
corporation, if the resolution is adopted by the legislative 47  
authority of a municipal corporation, or in a newspaper of 48  
general circulation in the county, if the resolution is adopted 49

by the legislative authority of the county, once a week for two 50  
consecutive weeks or as provided in section 7.16 of the Revised 51  
Code, immediately following its adoption. 52

Each legislative authority adopting a resolution pursuant 53  
to this section shall designate a housing officer. In addition, 54  
each such legislative authority, not later than sixty days after 55  
the adoption of the resolution, shall petition the director of 56  
development services for the director to confirm the findings 57  
described in the resolution. The petition shall be accompanied 58  
by a copy of the resolution and by a map of the community 59  
reinvestment area in sufficient detail to denote the specific 60  
boundaries of the area and to indicate zoning restrictions 61  
applicable to the area. The director shall determine whether the 62  
findings contained in the resolution are valid, and whether the 63  
classification of structures or remodeling eligible for 64  
exemption under the resolution is consistent with zoning 65  
restrictions applicable to the area as indicated on the map. 66  
Within thirty days of receiving the petition, the director shall 67  
forward the director's determination to the legislative 68  
authority. The legislative authority or housing officer shall 69  
not grant any exemption from taxation under section 3735.67 of 70  
the Revised Code until the director forwards the director's 71  
determination to the legislative authority. The director shall 72  
assign to each community reinvestment area a unique designation 73  
by which the area shall be identified for purposes of sections 74  
3735.65 to 3735.70 of the Revised Code. 75

If zoning restrictions in any part of a community 76  
reinvestment area are changed at any time after the legislative 77  
authority petitions the director under this section, the 78  
legislative authority shall notify the director and shall submit 79  
a map of the area indicating the new zoning restrictions in the 80

area. 81

Sec. 5709.58. (A) As used in this section: 82

(1) "Residential neighborhood development property" means 83  
a parcel of real property that has been subdivided by a 84  
residential developer for the purpose of constructing a 85  
residential structure thereon. 86

(2) "Residential developer" means a person that owns 87  
residential neighborhood development property upon which the 88  
person causes, or intends to cause, a residential structure to 89  
be constructed that the person does not intend to occupy. 90

(3) "New residential neighborhood" means an area 91  
encompassing at least ten adjacent parcels of residential 92  
neighborhood development property. 93

(4) "School district" means a city, local, or exempted 94  
village school district. 95

(5) "Residential structure" means one of the following: 96

(a) If the legislative authority of a municipal 97  
corporation or a board of township trustees includes in an 98  
ordinance or resolution adopted under division (B)(1) of this 99  
section the limitation statement described in division (B)(2) of 100  
this section, a single-family, two-family, or three-family 101  
dwelling. 102

(b) In all other cases, any structure comprised entirely 103  
of or one or more dwellings. 104

(B)(1) The legislative authority of a municipal 105  
corporation or the board of trustees of a township may adopt an 106  
ordinance or resolution designating one or more portions of the 107  
territory of the municipal corporation, or of the unincorporated 108

territory of the township, respectively, as a neighborhood 109  
development area for the public purpose of encouraging 110  
development of adequate affordable housing, workforce housing, 111  
or housing addressing a housing shortage in the municipal 112  
corporation or township. The resolution or ordinance shall 113  
include all of the following: 114

(a) A list of all parcels comprising the neighborhood 115  
development area; 116

(b) Identification of the municipal or township officer or 117  
employee who will accept applications under division (D) of this 118  
section; 119

(c) Findings to demonstrate that there is a current lack 120  
of adequate affordable or workforce housing or that there is a 121  
housing shortage within the municipal corporation or township 122  
and that the designation of the area will encourage the 123  
construction of new residential structures, or the improvement 124  
of existing residential structures, that in either case would be 125  
unlikely to occur in the absence of such a designation; 126

(d) The number of years during which the area will be 127  
designated as a neighborhood development area, which may not 128  
exceed ten years; 129

(e) A projection of how the proposed neighborhood 130  
development area will enhance property values and thereby 131  
generate additional property tax revenue; 132

(f) The percentage of valuation that will be exempt from 133  
taxation under division (C) of this section, as determined by 134  
the legislative authority or board of trustees, which shall not 135  
exceed seventy-five per cent of assessed valuation unless the 136  
legislative authority or board of trustees negotiates a mutually 137

acceptable agreement with the board of education of each school 138  
district within which parcels in the area are located pursuant 139  
to division (B) (3) of this section. 140

A neighborhood development area shall be defined by a 141  
continuous boundary that may not exceed three hundred acres in 142  
size and that may not encompass all of the territory of a 143  
municipal corporation or township. If two or more neighborhood 144  
development areas share a common boundary, the total area of all 145  
such adjoining areas may not exceed three hundred acres. A 146  
legislative authority or board may not have more than three 147  
neighborhood development areas designated at anytime. The 148  
legislative authority or board may not include in a neighborhood 149  
development area any parcel that is subject to an exemption 150  
authorized under section 3735.67, 5709.40, 5709.41, 5709.73, or 151  
5709.78 of the Revised Code. 152

To adopt such a resolution or ordinance, the legislative 153  
authority or board shall conduct a hearing on the resolution or 154  
ordinance during at least three regularly scheduled public 155  
meetings held on three separate days and in accordance with 156  
section 121.22 of the Revised Code, notwithstanding any rule or 157  
charter provision permitting the legislative authority or board 158  
to adopt a resolution or ordinance with fewer hearings. At least 159  
seven days before the first meeting, the legislative authority 160  
or board shall send notice, by certified mail, to the board of 161  
education of each school district and to the taxing authority of 162  
each other local taxing unit in which the proposed neighborhood 163  
development area is located. The notice shall state the date and 164  
time of each public meeting and shall include a copy of the 165  
resolution or ordinance or the information described in 166  
divisions (B) (1) (a), (d), and (f) of this section. If the date 167  
or time of a meeting changes, then a new notice shall be sent by 168

certified mail announcing the new date and time. 169

(2) A legislative authority or board may limit the 170  
exemptions authorized under division (C) of this section to 171  
apply only to residential structures in the neighborhood 172  
development area that are or are intended to be single-family, 173  
two-family, or three-family dwellings by including in the 174  
resolution or ordinance adopted under division (B) (1) of this 175  
section a statement expressing that limitation. 176

(3) Upon mailing the first notice to a board of education 177  
under division (B) (1) of this section, the legislative authority 178  
or board of trustees shall attempt in good faith to engage the 179  
board of education to explain the resolution or ordinance and, 180  
if the percentage designated under division (B) (1) (f) of this 181  
section exceeds seventy-five per cent, to reach a mutually 182  
acceptable agreement whereby the board of education consents to 183  
the percentage of valuation to be exempted from taxation under 184  
division (C) of this section. If the legislative authority or 185  
board of trustees and a board of education fail to negotiate an 186  
agreement that is mutually acceptable within sixty days after 187  
that notice is received by the board of education, then the 188  
percentage of valuation that may be exempted from taxation under 189  
division (C) of this section may not exceed seventy-five per 190  
cent. 191

(4) The legislative authority or board shall certify a 192  
copy of any resolution or ordinance adopted under division (B) 193  
(1) of this section to the tax commissioner within ten days 194  
after its adoption. 195

(5) A legislative authority or board may amend a 196  
resolution or ordinance adopted under division (B) (1) of this 197  
section to extend the designation of a neighborhood development 198

area for up to an additional ten years each time the designation 199  
expires. The legislative authority or board shall certify a copy 200  
of any amended resolution or ordinance adopted under division 201  
(B) (5) of this section to the tax commissioner within ten days 202  
after its adoption. 203

(C) Subject to division (D) of this section: 204

(1) The percentage designated under division (B) (1) (f) of 205  
this section of the assessed valuation of residential 206  
neighborhood development property within a new residential 207  
neighborhood located wholly within a neighborhood development 208  
area shall be exempt from taxation beginning with the tax year 209  
in which the residential neighborhood development property first 210  
appears on the tax list following its subdivision and continuing 211  
until and including the tax year in which the residential 212  
structure is first occupied. 213

(2) If a residential structure located on residential 214  
neighborhood development property that qualifies or would 215  
qualify for the exemption authorized in division (C) (1) of this 216  
section is occupied as a home by the owner, the percentage 217  
designated under division (B) (1) (f) of this section of the 218  
assessed valuation of the parcel upon which the residential 219  
structure is situated shall be exempt from taxation beginning 220  
with the tax year after the first tax year in which the 221  
residential structure is occupied and for the nine succeeding 222  
tax years, provided that the owner occupies the residential 223  
structure on the tax lien date. 224

(3) The percentage designated under division (B) (1) (f) of 225  
this section of the increased assessed valuation of a parcel 226  
located in a neighborhood development area and on which is 227  
situated a residential structure that is occupied as a home and 228



remodeled by or for the owner shall be exempt from taxation 229  
beginning with the tax year in which an increase in value 230  
resulting from the remodeling first appears on the tax list and 231  
continuing for the succeeding four tax years, provided that the 232  
cost of the remodeling is at least five thousand dollars and 233  
that the owner occupies the residential structure on the tax 234  
lien date. The increased assessed valuation shall equal the 235  
assessed valuation of the parcel in the tax year for which the 236  
exemption applies minus the assessed valuation of the parcel in 237  
the tax year in which the remodeling began. 238

For the purposes of divisions (C) (2) and (3) of this 239  
section, "owner" includes any person whose interest in the 240  
residential structure is an interest that would qualify the 241  
person as the owner of a homestead under section 323.151 of the 242  
Revised Code. 243

(D) To obtain an exemption authorized under division (C) 244  
(1), (2), or (3) of this section for a tax year, an owner of 245  
real property shall file an annual application for the exemption 246  
with the officer or employee designated under division (B) (1) (b) 247  
of this section. That officer or employee shall verify that all 248  
requirements of this section for the exemption are satisfied. If 249  
the officer or employee determines that all requirements of this 250  
section for the applicable exemption are satisfied, the officer 251  
or employee shall, for only the first tax year all requirements 252  
for the exemption are satisfied, submit, on behalf of the 253  
property owner, an exemption application to the tax commissioner 254  
under section 5715.27 of the Revised Code for the applicable 255  
exemption authorized under division (C) of this section, 256  
notwithstanding the requirement in division (A) of that section 257  
that the owner of the property file the application. Property 258  
that is the subject of that application shall be exempt from tax 259

as provided in division (C) (1), (2), or (3) of this section for 260  
each succeeding tax year until, if applicable, the end of the 261  
exemption's term, regardless of whether an application is filed 262  
with the commissioner under section 5715.27 of the Revised Code 263  
respecting such property for that year. 264

If the officer or employee determines that the property 265  
does not qualify for the exemption for any of those succeeding 266  
tax years, the officer or employee shall provide written notice 267  
to the commissioner that the property does not satisfy all such 268  
exemption requirements for that tax year. Upon receiving that 269  
notice, the tax commissioner shall order the county auditor to 270  
return the property to the tax list. 271

If the term of the designation of the neighborhood 272  
development area expires, that officer or employee shall 273  
continue to accept applications for an exemption under division 274  
(C) (1), (2), or (3) of this section respecting property first 275  
eligible for that exemption for a tax year occurring during the 276  
period the area was so designated. 277

**Sec. 5713.08.** (A) The county auditor shall make a list of 278  
all real and personal property in the auditor's county that is 279  
exempted from taxation. Such list shall show the name of the 280  
owner, the value of the property exempted, and a statement in 281  
brief form of the ground on which such exemption has been 282  
granted. It shall be corrected annually by adding thereto the 283  
items of property which have been exempted during the year, and 284  
by striking therefrom the items which in the opinion of the 285  
auditor have lost their right of exemption and which have been 286  
reentered on the taxable list, but no property shall be struck 287  
from the exempt property list solely because the property has 288  
been conveyed to a single member limited liability company with 289

a nonprofit purpose from its nonprofit member or because the 290  
property has been conveyed by a single member limited liability 291  
company with a nonprofit purpose to its nonprofit member. No 292  
additions shall be made to such exempt lists and no additional 293  
items of property shall be exempted from taxation without the 294  
consent of the tax commissioner as is provided for in section 295  
5715.27 of the Revised Code or without the consent of the 296  
housing officer under section 3735.67 of the Revised Code, 297  
except for property exempted by the auditor under that section, 298  
property owned by a community school and subject to the 299  
exemption authorized under division (A) (1) of section 5709.07 of 300  
the Revised Code for tax years after the tax year for which the 301  
commissioner grants an application under section 5715.27 of the 302  
Revised Code, as described in division (I) of that section, 303  
property subject to an exemption authorized under section 304  
5709.58 of the Revised Code as authorized in division (D) of 305  
that section, or qualifying agricultural real property, as 306  
defined in section 5709.28 of the Revised Code, that is enrolled 307  
in an agriculture security area that is exempt under that 308  
section. 309

The commissioner may revise at any time the list in every 310  
county so that no property is improperly or illegally exempted 311  
from taxation. The auditor shall follow the orders of the 312  
commissioner given under this section. An abstract of such list 313  
shall be filed annually with the commissioner, on a form 314  
approved by the commissioner, and a copy thereof shall be kept 315  
on file in the office of each auditor for public inspection. 316

An application for exemption of property shall include a 317  
certificate executed by the county treasurer certifying one of 318  
the following: 319

(1) That all taxes, interest, and penalties levied and 320  
assessed against the property sought to be exempted have been 321  
paid in full for all of the tax years preceding the tax year for 322  
which the application for exemption is filed, except for such 323  
taxes, interest, and penalties that may be remitted under 324  
division (C) of this section; 325

(2) That the applicant has entered into a valid delinquent 326  
tax contract with the county treasurer pursuant to division (A) 327  
of section 323.31 of the Revised Code to pay all of the 328  
delinquent taxes, interest, and penalties charged against the 329  
property, except for such taxes, interest, and penalties that 330  
may be remitted under division (C) of this section. If the 331  
auditor receives notice under section 323.31 of the Revised Code 332  
that such a written delinquent tax contract has become void, the 333  
auditor shall strike such property from the list of exempted 334  
property and reenter such property on the taxable list. If 335  
property is removed from the exempt list because a written 336  
delinquent tax contract has become void, current taxes shall 337  
first be extended against that property on the general tax list 338  
and duplicate of real and public utility property for the tax 339  
year in which the auditor receives the notice required by 340  
division (A) of section 323.31 of the Revised Code that the 341  
delinquent tax contract has become void or, if that notice is 342  
not timely made, for the tax year in which falls the latest date 343  
by which the treasurer is required by such section to give such 344  
notice. A county auditor shall not remove from any tax list and 345  
duplicate the amount of any unpaid delinquent taxes, 346  
assessments, interest, or penalties owed on property that is 347  
placed on the exempt list pursuant to this division. 348

(3) That a tax certificate has been issued under section 349  
5721.32 or 5721.33 of the Revised Code with respect to the 350

property that is the subject of the application, and the tax 351  
certificate is outstanding. 352

(B) If the treasurer's certificate is not included with 353  
the application or the certificate reflects unpaid taxes, 354  
penalties, and interest that may not be remitted, the tax 355  
commissioner or county auditor with whom the application was 356  
filed shall notify the property owner of that fact, and the 357  
applicant shall be given sixty days from the date that 358  
notification was mailed in which to provide the tax commissioner 359  
or county auditor with a corrected treasurer's certificate. If a 360  
corrected treasurer's certificate is not received within the 361  
time permitted, the tax commissioner or county auditor does not 362  
have authority to consider the tax exemption application. 363

(C) Any taxes, interest, and penalties which have become a 364  
lien after the property was first used for the exempt purpose, 365  
but in no case prior to the date of acquisition of the title to 366  
the property by the applicant, may be remitted by the 367  
commissioner or county auditor, except as is provided in 368  
division (A) of section 5713.081 of the Revised Code. 369

(D) Real property acquired by the state in fee simple is 370  
exempt from taxation from the date of acquisition of title or 371  
date of possession, whichever is the earlier date, provided that 372  
all taxes, interest, and penalties as provided in the 373  
apportionment provisions of section 319.20 of the Revised Code 374  
have been paid to the date of acquisition of title or date of 375  
possession by the state, whichever is earlier. The proportionate 376  
amount of taxes that are a lien but not yet determined, 377  
assessed, and levied for the year in which the property is 378  
acquired, shall be remitted by the county auditor for the 379  
balance of the year from date of acquisition of title or date of 380

possession, whichever is earlier. This section shall not be 381  
construed to authorize the exemption of such property from 382  
taxation or the remission of taxes, interest, and penalties 383  
thereon until all private use has terminated. 384

**Section 2.** That existing sections 3735.66 and 5713.08 of 385  
the Revised Code are hereby repealed. 386