

As Introduced

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H. B. No. 154

Representatives Thomas, D., Glassburn

Cosponsors: Representatives Johnson, Click



To amend section 3735.67 of the Revised Code to 1
require school district approval of residential 2
community reinvestment area property tax 3
exemptions. 4

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

Section 1. That section 3735.67 of the Revised Code be 5
amended to read as follows: 6

Sec. 3735.67. (A) The owner of real property located in a 7
community reinvestment area and eligible for exemption from 8
taxation under a resolution adopted pursuant to section 3735.66 9
of the Revised Code may file an application for an exemption 10
from real property taxation of a percentage of the assessed 11
valuation of a new structure, or of the increased assessed 12
valuation of an existing structure after remodeling began, if 13
the new structure or remodeling is completed after the effective 14
date of the resolution adopted pursuant to section 3735.66 of 15
the Revised Code. The application shall be filed with the 16
housing officer designated for the community reinvestment area 17
in which the property is located. If any part of the new 18
structure or remodeled structure that would be exempted is of 19
real property to be used for commercial or industrial purposes, 20

the legislative authority and the owner of the property shall 21
enter into a written agreement pursuant to section 3735.671 of 22
the Revised Code prior to commencement of construction or 23
remodeling; ~~if such an agreement is subject to approval by the~~ 24
~~board of education of the school district within the territory~~ 25
~~of which the property is or will be located, the agreement shall~~ 26
~~not be formally approved by the legislative authority until the~~ 27
~~board of education approves the agreement in the manner~~ 28
~~prescribed by that section.~~ 29

(B) The housing officer shall verify the construction of 30
the new structure or the cost of the remodeling of the existing 31
structure and the facts asserted in the application. The housing 32
officer shall determine whether the construction or remodeling 33
meets the requirements for an exemption under this section. In 34
cases involving a structure of historical or architectural 35
significance, the housing officer shall not determine whether 36
the remodeling meets the requirements for a tax exemption unless 37
the appropriateness of the remodeling has been certified, in 38
writing, by the society, association, agency, or legislative 39
authority that has designated the structure or by any 40
organization or person authorized, in writing, by such society, 41
association, agency, or legislative authority to certify the 42
appropriateness of the remodeling. 43

~~(C)~~ (C) (1) If the construction or remodeling meets the 44
requirements for exemption, the housing officer shall ~~forward~~ 45
request approval of the application from the board of education 46
of the city, local, or exempted village school district within 47
the territory of which the property is or will be located. 48

For the purpose of obtaining such approval, the housing 49
officer shall certify a copy of the application to the board of 50

education. The board, by resolution adopted by a majority of the 51
board, shall approve or disapprove the application and certify a 52
copy of the resolution to the property owner and the housing 53
officer not later than forty-five days after the application is 54
certified to the board. The board may include in the resolution 55
conditions under which the board would approve the application. 56
The housing officer may approve an application at any time after 57
the board certifies its resolution approving the application, 58
or, if the board approves the application conditionally, at any 59
time after the housing officer is notified that the conditions 60
are agreed to by the board and the property owner. 61

(2) Approval of an application by a board of education is 62
not required under division (C)(1) of this section if, for each 63
tax year the dwelling is exempted from taxation, the sum of the 64
following quantities, as estimated at or prior to the time the 65
application is formally approved by the housing officer, equals 66
or exceeds twenty-five per cent of the amount of taxes, as 67
estimated at or prior to that time, that would have been charged 68
and payable that year upon the dwelling had that dwelling not 69
been exempted from taxation: 70

(a) The amount of taxes charged and payable on any portion 71
of the assessed valuation of the new dwelling or of the 72
increased assessed valuation of an existing dwelling after 73
remodeling began that will not be exempted from taxation under 74
the agreement; 75

(b) The amount of any cash payment by the owner of the 76
dwelling to the school district and any payment by the 77
legislative authority that designated the community reinvestment 78
area to the school district pursuant to section 5709.82 of the 79
Revised Code. 80

The estimates of quantities used for purposes of division 81
(C) (2) of this section shall be estimated by the housing 82
officer. Departures of the actual quantities from the estimates 83
subsequent to approval of the application do not invalidate the 84
application. 85

(3) If a board of education has adopted a resolution 86
waiving its right to approve applications under this division 87
and that resolution remains in effect, approval of an 88
application by the board is not required under division (C) (1) 89
of this section. If a board adopts a resolution waiving its 90
right to approve applications, the board shall certify a copy of 91
the resolution to the housing officer. If the board rescinds 92
such a resolution, it shall certify notice of the rescission to 93
the housing officer. 94

(4) If the owner of the dwelling agrees to make any 95
payment to a school district as described in division (C) (2) (b) 96
of this section, the owner shall agree to make payments to the 97
joint vocational school district within which the property is 98
located at the same rate or amount and under the same terms 99
received by the city, local, or exempted village school 100
district. 101

(5) Upon approval of an application, the housing officer 102
shall forward the application to the county auditor with a 103
certification as to the division of this section under which the 104
exemption is granted, and the period and percentage of the 105
exemption as determined by the legislative authority pursuant to 106
that division. If the construction or remodeling is of 107
commercial or industrial property and the legislative authority 108
is not required to certify a copy of a resolution under section 109
3735.671 of the Revised Code, the housing officer shall comply 110

with the notice requirements prescribed under section 5709.83 of 111
the Revised Code, unless the board has adopted a resolution 112
under that section waiving its right to receive such a notice. 113

(D) Except as provided in division (F) of this section, 114
the tax exemption shall first apply in the year the construction 115
or remodeling would first be taxable but for this section. In 116
the case of remodeling that qualifies for exemption, a 117
percentage, not to exceed one hundred per cent, of the increased 118
assessed valuation of an existing structure after remodeling 119
began shall be exempted from real property taxation. In the case 120
of construction of a structure that qualifies for exemption, a 121
percentage, not to exceed one hundred per cent, of the assessed 122
value of the structure shall be exempted from real property 123
taxation. In either case, the percentage shall be the percentage 124
set forth in the agreement if the structure or remodeling is to 125
be used for commercial or industrial purposes, or the percentage 126
set forth in the resolution describing the community 127
reinvestment area if the structure or remodeling is to be used 128
for residential purposes. 129

The construction of new structures and the remodeling of 130
existing structures are hereby declared to be a public purpose 131
for which exemptions from real property taxation may be granted 132
for the following periods: 133

(1) For every dwelling and commercial or industrial 134
properties, located within the same community reinvestment area, 135
upon which the cost of remodeling is at least two thousand five 136
hundred dollars in the case of a dwelling containing not more 137
than two family units or at least five thousand dollars in the 138
case of all other property, a period to be determined by the 139
legislative authority adopting the resolution, but not exceeding 140

fifteen years. The period of exemption for a dwelling described 141
in division (D) (1) of this section may be extended by a 142
legislative authority for up to an additional ten years if the 143
dwelling is a structure of historical or architectural 144
significance, is a certified historic structure that has been 145
subject to federal tax treatment under 26 U.S.C. 47 and 170(h), 146
and units within the structure have been leased to individual 147
tenants for five consecutive years; 148

(2) Except as provided in division (F) of this section, 149
for construction of every dwelling, and commercial or industrial 150
structure located within the same community reinvestment area, a 151
period to be determined by the legislative authority adopting 152
the resolution, but not exceeding one of the following: 153

(a) Thirty years, if the commercial or industrial 154
structure is situated on the site of a megaproject and is owned 155
and occupied by a megaproject operator as defined in division 156
(A) (12) of section 122.17 of the Revised Code, or is not 157
situated on the site of a megaproject but is owned and occupied 158
by a megaproject supplier that meets the requirements described 159
in division (A) (13) (b) of section 122.17 of the Revised Code; 160

(b) Fifteen years, for any other dwelling or commercial or 161
industrial structure. 162

(E) Any person, board, or officer authorized by section 163
5715.19 of the Revised Code to file complaints with the county 164
board of revision may file a complaint with the housing officer 165
challenging the continued exemption of any property granted an 166
exemption under this section. A complaint against exemption 167
shall be filed prior to the thirty-first day of December of the 168
tax year for which taxation of the property is requested. The 169
housing officer shall determine whether the property continues 170

to meet the requirements for exemption and shall certify the 171
housing officer's findings to the complainant. If the housing 172
officer determines that the property does not meet the 173
requirements for exemption, the housing officer shall notify the 174
county auditor, who shall correct the tax list and duplicate 175
accordingly. 176

(F) The owner of a dwelling constructed in a community 177
reinvestment area may file an application for an exemption after 178
the year the construction first became subject to taxation. The 179
application shall be processed in accordance with the procedures 180
prescribed under this section and shall be granted if the 181
construction that is the subject of the application otherwise 182
meets the requirements for an exemption under this section. If 183
approved, the exemption sought in the application first applies 184
in the year the application is filed. An exemption approved 185
pursuant to this division continues only for those years 186
remaining in the period described in division (D)(2) of this 187
section. No exemption may be claimed for any year in that period 188
that precedes the year in which the application is filed. 189

Section 2. That existing section 3735.67 of the Revised 190
Code is hereby repealed. 191