

As Introduced

136th General Assembly

Regular Session

2025-2026

H. B. No. 981

Representative LaRe

To amend section 715.72 of the Revised Code 1
regarding the maximum income tax that can be 2
levied in a joint economic development district. 3

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

Section 1. That section 715.72 of the Revised Code be 4
amended to read as follows: 5

Sec. 715.72. (A) As used in this section: 6

(1) "Contracting parties" means one or more municipal 7
corporations, one or more townships, and, under division (D) of 8
this section, one or more counties that have entered into a 9
contract under this section to create a joint economic 10
development district. 11

(2) "District" means a joint economic development district 12
created under this section. 13

(3) "Contract for utility services" means a contract under 14
which a municipal corporation agrees to provide to a township or 15
another municipal corporation water, sewer, electric, or other 16
utility services necessary to the public health, safety, and 17
welfare. 18

(4) "Business" means a sole proprietorship, a corporation 19

for profit, a pass-through entity as defined in section 5733.04 20
of the Revised Code, the federal government, the state, the 21
state's political subdivisions, a nonprofit organization, or a 22
school district. 23

(5) "Owner" means a partner of a partnership, a member of 24
a limited liability company, a majority shareholder of an S 25
corporation, a person with a majority ownership interest in a 26
pass-through entity, or any officer, employee, or agent with 27
authority to make decisions legally binding upon a business. 28

(6) "Record owner" means the person or persons in whose 29
name a parcel is listed on the tax list or exempt list compiled 30
by the county auditor under section 319.28 or 5713.08 of the 31
Revised Code. 32

(7) A business "operates within" a district if the net 33
profits of the business or the income of employees of the 34
business would be subject to an income tax levied within the 35
district. 36

(8) An employee is "employed within" a district if any 37
portion of the employee's income would be subject to an income 38
tax levied within the district. 39

(9) "Mixed-use development" means a real estate project 40
that tends to mitigate traffic and sprawl by integrating some 41
combination of retail, office, residential, hotel, recreation, 42
and other functions in a pedestrian-oriented environment that 43
maximizes the use of available space by allowing members of the 44
community to live, work, and play in one architecturally 45
expressive area with multiple amenities. 46

(10) "Water or sewer service plan or agreement" means 47
either of the following: 48

(a) A state water quality management plan adopted by the 49
Ohio environmental protection agency or another authorized 50
planning agency pursuant to 33 U.S.C. 1288 and 1313 that 51
contemplates that a non-contracting municipal corporation will 52
provide sanitary sewer disposal services to an area within a 53
proposed joint economic development district; 54

(b) A binding agreement between a municipal corporation 55
and a third-party water or sanitary sewer services provider, 56
including another municipal corporation or other public or 57
private provider, that provides that a non-contracting municipal 58
corporation or another provider that is not a contracting party 59
will provide water or sanitary sewer services to an area within 60
a proposed joint economic development district. 61

(11) "Non-contracting municipal corporation" means a 62
municipal corporation that is not a contracting party. 63

(B) This section provides alternative procedures and 64
requirements to those set forth in sections 715.70 and 715.71 of 65
the Revised Code for creating and operating a joint economic 66
development district. This section applies to municipal 67
corporations and townships that are located in the same county 68
or in adjacent counties. 69

(C) One or more municipal corporations, one or more 70
townships, and, under division (D) of this section, one or more 71
counties may enter into a contract pursuant to which they 72
designate one or more areas as a joint economic development 73
district for the purpose of facilitating economic development 74
and redevelopment, to create or preserve jobs and employment 75
opportunities, and to improve the economic welfare of the people 76
in this state and in the area of the contracting parties. 77

(1) Except as otherwise provided in division (C) (2) of 78
this section, the territory of each of the contracting parties 79
shall be contiguous to the territory of at least one other 80
contracting party, or contiguous to the territory of a township, 81
municipal corporation, or county that is contiguous to another 82
contracting party, even if the intervening township or municipal 83
corporation is not a contracting party. 84

(2) Contracting parties that have entered into a contract 85
under section 715.70 or 715.71 of the Revised Code creating a 86
joint economic development district prior to November 15, 1995, 87
may enter into a contract under this section even if the 88
territory of each of the contracting parties is not contiguous 89
to the territory of at least one other contracting party, or 90
contiguous to the territory of a township or municipal 91
corporation that is contiguous to another contracting party as 92
otherwise required under division (C) (1) of this section. The 93
contract and district shall meet the requirements of this 94
section. 95

(D) If, on or after December 30, 2008, but on or before 96
June 30, 2009, one or more municipal corporations and one or 97
more townships enter into a contract or amend an existing 98
contract under this section, one or more counties in which all 99
of those municipal corporations or townships are located also 100
may enter into the contract as a contracting party or parties. 101

(E) (1) The area or areas to be included in a joint 102
economic development district shall meet all of the following 103
criteria: 104

(a) The area or areas shall be located within the 105
territory of one or more of the contracting parties and may 106
consist of all of the territory of any or all of the contracting 107

parties. 108

(b) No electors, except those residing in a mixed-use 109
development, shall reside within the area or areas on the 110
effective date of the contract creating the district. 111

(c) The area or areas shall not include any parcel of land 112
owned in fee by or leased to a municipal corporation or 113
township, unless the municipal corporation or township is a 114
contracting party or has given its consent to have the parcel of 115
land included in the district by the adoption of an ordinance or 116
resolution. 117

(d) The area or areas shall not include any parcel of land 118
excluded pursuant to division (J) (2) of this section. 119

(2) The contracting parties may designate excluded parcels 120
within the boundaries of the joint economic development 121
district. Excluded parcels are not part of the district and 122
persons employed or residing on such parcels shall not be 123
subject to any income tax imposed within the district under 124
division (F) (5) of this section. 125

(F) (1) The contract creating a joint economic development 126
district shall provide for the amount or nature of the 127
contribution of each contracting party to the development and 128
operation of the district and may provide for the sharing of the 129
costs of the operation of and improvements for the district. The 130
contributions may be in any form to which the contracting 131
parties agree and may include, but are not limited to, the 132
provision of services, money, real or personal property, 133
facilities, or equipment. 134

(2) The contract may provide for the contracting parties 135
to share revenue from taxes levied by one or more of the 136

contracting parties if those revenues may lawfully be applied to 137
that purpose under the legislation by which those taxes are 138
levied. 139

(3) The contract shall include an economic development 140
plan for the district that consists of a schedule for the 141
provision of new, expanded, or additional services, facilities, 142
or improvements. The contract may provide for expanded or 143
additional capacity for or other enhancement of existing 144
services, facilities, or improvements. 145

(4) The contract shall enumerate the specific powers, 146
duties, and functions of the board of directors of the district 147
described under division (P) of this section and shall designate 148
procedures consistent with that division for appointing members 149
to the board. The contract shall enumerate rules to govern the 150
board in carrying out its business under this section. 151

(5) (a) The contract may grant to the board the power to 152
adopt a resolution to levy an income tax within the entire 153
district or within portions of the district designated by the 154
contract. The income tax shall be used to carry out the economic 155
development plan for the district or the portion of the district 156
in which the tax is levied and for any other lawful purpose of 157
the contracting parties pursuant to the contract, including the 158
provision of utility services by one or more of the contracting 159
parties. 160

(b) An income tax levied under this section shall be based 161
on both the income earned by persons employed or residing within 162
the district and the net profit of businesses operating within 163
the district. 164

Except as provided in this section, the income tax levied 165

within the district is subject to Chapter 718. of the Revised 166
Code, except that no vote shall be required. The rate of the 167
income tax shall be no higher than the highest rate being levied 168
by a municipal corporation that is a contracting party or that 169
meets both of the following requirements: 170

(i) The municipal corporation levying the income tax is 171
contiguous to the territory of a contracting party or to the 172
territory of a township, municipal corporation, or county that 173
is contiguous to another contracting party. 174

(ii) The municipal corporation levying the income tax is 175
party to a separate, unexpired contract creating a joint 176
economic development district under this section with one or 177
more of the contracting parties. 178

(c) If the board adopts a resolution to levy an income 179
tax, it shall enter into an agreement with a municipal 180
corporation that is a contracting party to administer, collect, 181
and enforce the income tax on behalf of the district. 182

(d) A resolution levying an income tax under this section 183
shall require the contracting parties to annually set aside a 184
percentage, to be stated in the resolution, of the amount of the 185
income tax collected for the long-term maintenance of the 186
district. 187

(e) An income tax levied under this section shall apply in 188
the district or the portion of the district in which the 189
contract authorizes an income tax throughout the term of the 190
contract creating the district. The tax shall not apply to any 191
persons employed or residing on a parcel excluded from the 192
district under division (E) (2) of this section. 193

(6) If there is unincorporated territory in the district, 194

the contract shall specify that restrictions on annexation 195
proceedings under division (R) of this section apply to such 196
unincorporated territory. The contract may prohibit proceedings 197
under Chapter 709. of the Revised Code proposing the annexation 198
to, merger of, or consolidation with a municipal corporation 199
that is a contracting party of any unincorporated territory 200
within a township that is a contracting party during the term of 201
the contract regardless of whether that territory is located 202
within the district. 203

(7) The contract may designate property as a community 204
entertainment district, or may be amended to designate property 205
as a community entertainment district, as prescribed in division 206
(D) of section 4301.80 of the Revised Code. A contract or 207
amendment designating a community entertainment district shall 208
include all information and documentation described in divisions 209
(B) (1) to (6) of section 4301.80 of the Revised Code. The public 210
notice required under division (I) of this section shall specify 211
that the contract designates a community entertainment district 212
and describe the location of that district. Except as provided 213
in division (F) of section 4301.80 of the Revised Code, an area 214
designated as a community entertainment district under a joint 215
economic development district contract shall not lose its 216
designation even if the contract is canceled or terminated. 217

(8) If any part of the district is located either within 218
one-half of one mile of a non-contracting municipal corporation 219
or within an area covered by or subject to a water or sewer 220
service plan or agreement, the contract shall include all of the 221
following: 222

(a) A preliminary estimate of the costs of providing 223
public utility services, facilities, and improvements to the 224

district, prepared by a professional engineer; 225

(b) An analysis of the anticipated sources for funding the 226
costs of the public utilities infrastructure needed to serve the 227
district and a projection of when such funds will be available 228
and when such costs are likely to be incurred; 229

(c) Evidence or estimates indicating that the construction 230
of the public utility infrastructure needed to serve at least 231
some portion of the district will be completed within five years 232
after the creation of the district. 233

(G) The contract creating a joint economic development 234
district shall continue in existence throughout its term and 235
shall be binding on the contracting parties and on any parties 236
succeeding to the contracting parties, whether by annexation, 237
merger, or consolidation. Except as provided in division (H) of 238
this section, the contract may be amended, renewed, or 239
terminated with the approval of the contracting parties or any 240
parties succeeding to the contracting parties. If the contract 241
is amended to add or remove an area to or from an existing 242
district, the amendment shall be adopted in the manner 243
prescribed under division (L) of this section. 244

(H) If two or more contracting parties previously have 245
entered into a separate contract for utility services, then 246
amendment, renewal, or termination of the separate contract for 247
utility services shall not constitute any part of the 248
consideration for the contract creating a joint economic 249
development district. A contract creating a joint economic 250
development district shall be rebuttably presumed to violate 251
this division if it is entered into within two years prior or 252
five years subsequent to the amendment, renewal, or termination 253
of a separate contract for utility services that two or more 254

contracting parties previously have entered into. The 255
presumption stated in this division may be rebutted by clear and 256
convincing evidence of both of the following: 257

(1) That other substantial consideration existed to 258
support the contract creating a joint economic development 259
district; 260

(2) That the contracting parties entered into the contract 261
creating a joint economic development district freely and 262
without duress or coercion related to the amendment, renewal, or 263
termination of the separate contract for utility services. 264

A contract creating a joint economic development district 265
that violates this division is void and unenforceable. 266

(I) (1) Before the legislative authority of any of the 267
contracting parties adopts an ordinance or resolution approving 268
a contract to create a district, the legislative authority of 269
each of the contracting parties shall hold a public hearing 270
concerning the contract and district. Each legislative authority 271
shall provide at least thirty days' public notice of the time 272
and place of the public hearing in a newspaper of general 273
circulation in the municipal corporation, township, or county, 274
as applicable. During the thirty-day period prior to the public 275
hearing and until the date that an ordinance or resolution is 276
adopted under division (K) of this section to approve the joint 277
economic development district contract, all of the following 278
documents shall be available for public inspection in the office 279
of the clerk of the legislative authority of a municipal 280
corporation and county that is a contracting party and in the 281
office of the fiscal officer of a township that is a contracting 282
party: 283

(a) A copy of the contract creating the district, 284
including the economic development plan for the district and the 285
schedule for the provision of new, expanded, or additional 286
services, facilities, or improvements described in division (F) 287
(3) of this section; 288

(b) A description of the area or areas to be included in 289
the district, including a map in sufficient detail to denote the 290
specific boundaries of the area or areas and to indicate any 291
zoning restrictions applicable to the area or areas, and the 292
parcel number, provided for under section 319.28 of the Revised 293
Code, of any parcel located within the boundaries of the joint 294
economic development district and excluded from the district 295
under division (E) (2) of this section; 296

(c) If the contract authorizes the board of directors of 297
the district to adopt a resolution to levy an income tax within 298
the district or within portions of the district, a schedule for 299
the collection of the tax. 300

(2) At least thirty days before the first public hearing 301
is to be held by one or more legislative authorities on a 302
proposed district, notice shall be sent in writing to each non- 303
contracting municipal corporation that is located within one- 304
half of one mile of the proposed district or that is identified 305
in a water or sewer service plan or agreement as a future 306
provider of water or sewer services to all or part of the 307
proposed district. 308

(3) A public hearing held under this division shall allow 309
for public comment and recommendations on the contract and 310
district. The contracting parties may include in the contract 311
any of those recommendations prior to approval of the contract. 312

(J) (1) Before any of the contracting parties approves a 313
contract under division (K) of this section, the contracting 314
parties shall circulate one or more petitions to record owners 315
of real property located within the proposed joint economic 316
development district and owners of businesses operating within 317
the proposed district. The petitions shall state that all of the 318
documents described in divisions (I) (1) (a) to (c) of this 319
section are available for public inspection in the office of the 320
clerk of the legislative authority of each municipal corporation 321
and county that is a contracting party or the office of the 322
fiscal officer of each township that is a contracting party. The 323
petitions shall clearly indicate that, by signing the petition, 324
the record owner or owner consents to the proposed joint 325
economic development district. 326

A contracting party may send written notice of the 327
petitions by certified mail with return receipt requested to the 328
last known mailing addresses of any or all of the record owners 329
of real property located within the proposed district or the 330
owners of businesses operating within the proposed district. The 331
contracting parties shall equally share the costs of complying 332
with this division. 333

(2) If any portion of property located within the proposed 334
joint economic development district is also either located 335
within one-half of one mile of a non-contracting municipal 336
corporation or covered by or subject to a water or sewer service 337
plan or agreement under which a non-contracting municipal 338
corporation is identified as a future provider of water or sewer 339
services to all or part of the proposed district, then that 340
property and any property contiguous to that property if owned 341
by the same person shall be excluded from the joint economic 342
development district unless the owner of the property signs the 343

petition. 344

(K) (1) After the public hearings required under division 345
(I) of this section have been held and the petitions described 346
in division (J) of this section have been signed by the majority 347
of the record owners of real property located within the 348
proposed joint economic development district and by a majority 349
of the owners of businesses, if any, operating within the 350
proposed district, each contracting party may adopt an ordinance 351
or resolution approving the contract to create a joint economic 352
development district. Not later than ten days after all of the 353
contracting parties have adopted ordinances or resolutions 354
approving the district contract, each contracting party shall 355
give notice of the proposed district to all of the following: 356

(a) Each record owner of real property to be included in 357
the district and in the territory of that contracting party who 358
did not sign the petitions described in division (J) of this 359
section; 360

(b) An owner of each business operating within the 361
district and in the territory of that contracting party no owner 362
of which signed the petitions described in division (J) of this 363
section. 364

(2) Such notices shall be given by certified mail and 365
shall specify that the property or business is located within an 366
area to be included in the district and that all of the 367
documents described in divisions (I) (1) (a) to (c) of this 368
section are available for public inspection in the office of the 369
clerk of the legislative authority of each municipal corporation 370
and county that is a contracting party or the office of the 371
fiscal officer of each township that is a contracting party. The 372
contracting parties shall equally share the costs of complying 373

with division (K) of this section. 374

(L) (1) The contracting parties may amend the joint 375
economic development district contract to add any area that was 376
not originally included in the district if the area satisfies 377
the criteria prescribed under division (E) of this section. The 378
contracting parties may also amend the district contract to 379
remove any area originally included in the district or exclude 380
one or more parcels located within the district pursuant to 381
division (E) (2) of this section. 382

(2) An amendment adding an area to a district, removing an 383
area from the district, or excluding one or more parcels from 384
the district may be approved only by a resolution or ordinance 385
adopted by each of the contracting parties. The contracting 386
parties shall conduct public hearings on the amendment and 387
provide notice in the manner required under division (I) of this 388
section for original contracts. The contracting parties shall 389
make available for public inspection a copy of the amendment, a 390
description of the area to be added, removed, or excluded to or 391
from the district, and a map of that area in sufficient detail 392
to denote the specific boundaries of the area and to indicate 393
any zoning restrictions applicable to the area. 394

(3) Before adopting a resolution or ordinance approving 395
the addition of an area to the district, the contracting parties 396
shall circulate petitions to the record owners of real property 397
located within the proposed addition to the district and owners 398
of businesses operating within the proposed addition to the 399
district in the same manner required under division (J) of this 400
section for original contracts. The contracting parties may 401
notify such record owners of real property and owners of 402
businesses that the petitions are available for signing in the 403

same manner provided by that division. The contracting parties 404
shall equally share the costs of complying with this division. 405

(4) The contracting parties to a joint economic 406
development district may vote to approve an amendment to the 407
district contract under this division after the public hearings 408
required under division (L)(2) of this section are completed 409
and, if the amendment adds an area or areas to the district, the 410
petitions required under division (L)(3) of this section have 411
been signed by the majority of record owners of real property 412
located within the area or areas added to the district and by a 413
majority of the owners of businesses, if any, operating within 414
the proposed addition to the district. 415

(5) Not later than ten days after all of the contracting 416
parties have adopted ordinances or resolutions approving an 417
amendment adding one or more areas to the district, each 418
contracting party shall give notice of the addition to all of 419
the following: 420

(a) Each record owner of real property to be included in 421
the addition to the district and in the territory of that 422
contracting party who did not sign the petitions described in 423
division (L)(3) of this section; 424

(b) An owner of each business operating within the 425
addition to the district and in the territory of that 426
contracting party no owner of which signed the petitions 427
described in division (L)(3) of this section. 428

The contracting parties shall equally share the costs of 429
complying with division (L)(5) of this section. 430

(M)(1) A board of township trustees that is a party to a 431
contract creating a joint economic development district may 432

choose not to submit its resolution approving the contract to 433
the electors of the township if all of the following conditions 434
are satisfied: 435

(a) The resolution has been approved by a unanimous vote 436
of the members of the board of township trustees or, if a county 437
is one of the contracting parties under division (D) of this 438
section, the resolution has been approved by a majority vote of 439
the members of the board of township trustees; 440

(b) The contracting parties have circulated petitions as 441
required under division (J) of this section and obtained the 442
signatures required under division (L) of this section; 443

(c) The territory to be included in the proposed district 444
is zoned in a manner appropriate to the function of the 445
district. 446

(2) If the board of township trustees has not invoked its 447
authority under division (M) (1) of this section, the board, at 448
least ninety days before the date of the election, shall file 449
its resolution approving the district contract with the board of 450
elections for submission to the electors of the township for 451
approval at the next succeeding general, primary, or special 452
election. 453

(3) Any contract creating a district in which a board of 454
township trustees is a party shall provide that the contract is 455
not effective before the thirty-first day after its approval, 456
including approval by the electors of the township if required 457
by this section. 458

(4) If the board of township trustees invokes its 459
authority under division (M) (1) of this section and does not 460
submit the district contract to the electors for approval, the 461

resolution of the board of township trustees approving the 462
contract is subject to a referendum of the electors of the 463
township when requested through a petition. When signed by ten 464
per cent of the number of electors in the township who voted for 465
the office of governor at the most recent general election, a 466
referendum petition asking that the resolution be submitted to 467
the electors of the township may be presented to the board of 468
township trustees. Such a petition shall be presented within 469
thirty days after the board of township trustees adopts the 470
resolution approving the district contract. The board of 471
township trustees shall, not later than four p.m. of the tenth 472
day after receipt of the petition, certify the text of the 473
resolution to the board of elections. The board of elections 474
shall submit the resolution to the electors of the township for 475
their approval or rejection at the next general, primary, or 476
special election occurring at least ninety days after 477
certification of the resolution. 478

(N) The ballot respecting a resolution to create a 479
district or a referendum of such a resolution shall be in the 480
following form: 481

"Shall the resolution of the board of township trustees 482
approving the contract with..... (here insert name of 483
every other contracting party) for the creation of a joint 484
economic development district be approved? 485

FOR THE RESOLUTION AND CONTRACT 486

AGAINST THE RESOLUTION AND CONTRACT" 487

If a majority of the electors of the township voting on 488
the issue vote for the resolution and contract, the resolution 489
shall become effective immediately and the contract shall go 490

into effect on the thirty-first day after the election or 491
thereafter in accordance with terms of the contract. 492

(O) Upon the creation of a district under this section, 493
one of the contracting parties shall file a copy of each of the 494
following documents with the director of development: 495

(1) All of the documents described in divisions (I) (1) (a) 496
to (c) of this section; 497

(2) Certified copies of the ordinances and resolutions of 498
the contracting parties relating to the contract and district; 499

(3) Documentation from each contracting party that the 500
public hearings required by division (I) of this section have 501
been held, the date of the hearings, and evidence that notice of 502
the hearings was published as required by that division; 503

(4) A copy of the signed petitions required under 504
divisions (J) and (K) of this section. 505

(P) A board of directors shall govern each district 506
created under this section. 507

(1) If there are businesses operating and persons employed 508
within the district, the board shall be composed of the 509
following members: 510

(a) One member representing the municipal corporations 511
that are contracting parties; 512

(b) One member representing the townships that are 513
contracting parties; 514

(c) One member representing the owners of businesses 515
operating within the district; 516

(d) One member representing the persons employed within 517

the district; 518

(e) One member representing the counties that are 519
contracting parties, or, if no contracting party is a county, 520
one member selected by the members described in divisions (P)(1) 521
(a) to (d) of this section. 522

The members of the board shall be appointed as provided in 523
the district contract. Of the members initially appointed to the 524
board, the member described in division (P)(1)(a) of this 525
section shall serve a term of one year; the member described in 526
division (P)(1)(b) of this section shall serve a term of two 527
years; the member described in division (P)(1)(c) of this 528
section shall serve a term of three years; and the members 529
described in divisions (P)(1)(d) and (e) of this section shall 530
serve terms of four years. Thereafter, terms for each member 531
shall be for four years, each term ending on the same day of the 532
same month of the year as did the term that it succeeds. A 533
member may be reappointed to the board, but no member shall 534
serve more than two consecutive terms on the board. 535

The member described in division (P)(1)(e) of this section 536
shall serve as chairperson of the board described under division 537
(P)(1) of this section. 538

(2) If there are no businesses operating or persons 539
employed within the district, the board shall be composed of the 540
following members: 541

(a) One member representing the municipal corporations 542
that are contracting parties; 543

(b) One member representing the townships that are 544
contracting parties; 545

(c) One member representing the counties that are 546

contracting parties, or if no contracting party is a county, one 547
member selected by the members described in divisions (P) (2) (a) 548
and (b) of this section. 549

The members of the board shall be appointed as provided in 550
the district contract. Of the members initially appointed to the 551
board, the member described in division (P) (2) (a) of this 552
section shall serve a term of one year; the member described in 553
division (P) (2) (b) of this section shall serve a term of two 554
years; and the member described in division (P) (2) (c) of this 555
section shall serve a term of three years. Thereafter, terms for 556
each member shall be for four years, each term ending on the 557
same day of the same month of the year as did the term that it 558
succeeds. A member may be reappointed to the board, but no 559
member shall serve more than two consecutive terms on the board. 560

The member described in division (P) (2) (c) of this section 561
shall serve as chairperson of a board described under division 562
(P) (2) of this section. 563

(3) A board described under division (P) (1) or (2) of this 564
section has no powers except as described in this section and in 565
the contract creating the district. 566

(4) Membership on the board of directors of a joint 567
economic development district created under this section is not 568
the holding of a public office or employment within the meaning 569
of any section of the Revised Code prohibiting the holding of 570
other public office or employment. Membership on such a board is 571
not a direct or indirect interest in a contract or expenditure 572
of money by a municipal corporation, township, county, or other 573
political subdivision with which a member may be affiliated. 574
Notwithstanding any provision of law to the contrary, no member 575
of a board of directors of a joint economic development district 576

shall forfeit or be disqualified from holding any public office 577
or employment by reason of membership on the board. 578

(5) The board of directors of a joint economic development 579
district is a public body for the purposes of section 121.22 of 580
the Revised Code. Chapter 2744. of the Revised Code applies to 581
such a board and the district. 582

(Q) (1) On or before the date occurring six months after 583
the effective date of the district contract, an owner of a 584
business operating within the district may, on behalf of the 585
business and its employees, file a complaint with the court of 586
common pleas of the county in which the majority of the 587
territory of the district is located requesting exemption from 588
any income tax imposed by the board of directors of the district 589
under division (F) (5) of this section if all of the following 590
apply: 591

(a) The business operated within an unincorporated area of 592
the district before the effective date of the district contract; 593

(b) No owner of the business signed a petition described 594
in division (J) of this section; 595

(c) Neither the business nor its employees has derived or 596
will derive any material benefit from the new, expanded, or 597
additional services, facilities, or improvements described in 598
the economic development plan for the district, or the material 599
benefit that has, or will be, derived is negligible in 600
comparison to the income tax revenue generated from the net 601
profits of the business and the income of employees of the 602
business. 603

The legislative authority of each contracting party shall 604
be made a party to the proceedings and the business owner filing 605

the complaint shall serve notice of the complaint by certified 606
mail to each such contracting party. The court shall not accept 607
any complaint filed more than six months after the effective 608
date of the district contract. 609

(2) Any or all of the contracting parties may submit a 610
written answer to the complaint submitted under division (Q) (1) 611
of this section to the court within thirty days after notice of 612
the complaint was served upon them. Such a contracting party 613
shall submit to the court, along with the answer, documentation 614
sufficient to prove that the contracting party sent copies of 615
the answer to the owner of the business who filed the complaint. 616

(3) The court shall review each complaint submitted by a 617
business owner under division (Q) (1) of this section and each 618
answer submitted by a contracting party under division (Q) (2) of 619
this section. The court may make a determination on the record 620
and the evidence thus submitted, or it may conduct a hearing and 621
request the presence of the business owner and the contracting 622
parties to present evidence relevant to the complaint. The court 623
shall make a determination on the complaint not sooner than 624
thirty days but not later than sixty days after the complaint is 625
filed by the business owner. The court may make a determination 626
more than sixty days after the complaint is filed if the 627
business owner and all contracting parties to the district 628
consent. 629

(4) The court shall grant the exemption requested in the 630
complaint if all of the criteria described in divisions (Q) (1) 631
(a) to (c) of this section are met. 632

(5) If all the criteria described in divisions (Q) (1) (a) 633
to (c) of this section are not met, the court shall deny the 634
complaint and the exemption. 635

(6) The court shall send notice of the determination with
respect to the complaint to the owner of the business and each
contracting party. If the court grants the exemption, the net
profits of the business from operations within the district and
the income of its employees from employment within the district
are exempt from any income tax imposed by the board of directors
of the district. If the court denies the exemption, the net
profits of the business and the income of its employees shall be
taxed according to the terms of the district contract and any
taxes, penalties, and interest accrued before the date of the
court's determination shall be paid in full. In addition, no
owner of the business may submit another complaint under
division (Q) (1) of this section for the same district contract.
The court's determination on a complaint filed under division
(Q) of this section is final.

(7) Chapter 2506. of the Revised Code does not apply to
the proceedings described in division (Q) of this section.

(R) (1) No proceeding pursuant to Chapter 709. of the
Revised Code that proposes the annexation to, merger of, or
consolidation with a municipal corporation of any unincorporated
territory within a joint economic development district may be
commenced at any time between the effective date of the contract
creating the district and the date the contract expires,
terminates, or is otherwise rendered unenforceable. This
division does not apply if each board of township trustees whose
territory is included within the district and whose territory is
proposed to be annexed, merged, or consolidated adopts a
resolution consenting to the commencement of the proceeding.
Each such board of township trustees shall file a copy of the
resolution with the clerk of the legislative authority of each
county within which a contracting party is located.

(2) The contract creating a joint economic development 667
district may prohibit any annexation proceeding by a contracting 668
municipal corporation of any unincorporated territory within the 669
district or zone beyond the period described in division (R) (1) 670
of this section. 671

(3) No contracting party is divested or relieved of its 672
rights or obligations under the contract creating a joint 673
economic development district because of annexation, merger, or 674
consolidation. 675

(S) Contracting parties may enter into agreements pursuant 676
to the contract creating a joint economic development district 677
with respect to the substance and administration of zoning and 678
other land use regulations, building codes, permanent public 679
improvements, and other regulatory and proprietary matters 680
determined to be for a public purpose. No contract, however, 681
shall exempt the territory within the district from the 682
procedures of land use regulation applicable pursuant to 683
municipal corporation, township, and county regulations, 684
including, but not limited to, zoning procedures. 685

(T) The powers granted under this section are in addition 686
to and not in the derogation of all other powers possessed by or 687
granted to municipal corporations, townships, and counties 688
pursuant to law. 689

(1) When exercising a power or performing a function or 690
duty under a contract entered into under this section, a 691
municipal corporation may exercise all the powers of a municipal 692
corporation, and may perform all the functions and duties of a 693
municipal corporation, within the district, pursuant to and to 694
the extent consistent with the contract. 695

(2) When exercising a power or performing a function or 696
duty under a contract entered into under division (D) of this 697
section, a county may exercise all of the powers of a county, 698
and may perform all the functions and duties of a county, within 699
the district pursuant to and to the extent consistent with the 700
contract. 701

(3) When exercising a power or performing a function or 702
duty under a contract entered into under this section, a 703
township may exercise all the powers of a township, and may 704
perform all the functions and duties of a township, within the 705
district, pursuant to and to the extent consistent with the 706
contract. 707

(U) No political subdivision shall grant any tax exemption 708
under Chapter 1728. or section 3735.67, 5709.62, 5709.63, or 709
5709.632 of the Revised Code on any property located within the 710
district without the consent of all the contracting parties. The 711
prohibition against granting a tax exemption under this section 712
does not apply to any exemption filed, pending, or approved 713
before the effective date of the contract entered into under 714
this section. 715

Section 2. That existing section 715.72 of the Revised 716
Code is hereby repealed. 717

Section 3. The amendment by this act of section 715.72 of 718
the Revised Code applies to contracts entered into under that 719
section on or after the effective date of this section. 720