

**As Passed by the House**

**131st General Assembly**

**Regular Session**

**2015-2016**

**Sub. H. B. No. 12**

**Representatives Butler, Burkley**

**Cosponsors: Representatives Antani, Sprague**

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**A BILL**

To amend sections 5709.40, 5709.73, 5709.77,  
5709.78, and 5709.911 of the Revised Code to  
establish a procedure by which political  
subdivisions proposing a tax increment financing  
(TIF) incentive district are required to provide  
notice to the record owner of each parcel within  
the proposed incentive district before creating  
the district, and to permit such owners, under  
specific conditions, to exclude their parcels  
from the incentive district by submitting a  
written response.

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

**Section 1.** That sections 5709.40, 5709.73, 5709.77,  
5709.78, and 5709.911 of the Revised Code be amended to read as  
follows:

**Sec. 5709.40.** (A) As used in this section:

(1) "Blighted area" and "impacted city" have the same  
meanings as in section 1728.01 of the Revised Code.

(2) "Business day" means a day of the week excluding

Saturday, Sunday, and a legal holiday as defined under section 19  
1.14 of the Revised Code. 20

(3) "Housing renovation" means a project carried out for 21  
residential purposes. 22

(4) "Improvement" means the increase in the assessed value 23  
of any real property that would first appear on the tax list and 24  
duplicate of real and public utility property after the 25  
effective date of an ordinance adopted under this section were 26  
it not for the exemption granted by that ordinance. 27

(5) "Incentive district" means an area not more than three 28  
hundred acres in size enclosed by a continuous boundary in which 29  
a project is being, or will be, undertaken and having one or 30  
more of the following distress characteristics: 31

(a) At least fifty-one per cent of the residents of the 32  
district have incomes of less than eighty per cent of the median 33  
income of residents of the political subdivision in which the 34  
district is located, as determined in the same manner specified 35  
under section 119(b) of the "Housing and Community Development 36  
Act of 1974," 88 Stat. 633, 42 U.S.C. 5318, as amended; 37

(b) The average rate of unemployment in the district 38  
during the most recent twelve-month period for which data are 39  
available is equal to at least one hundred fifty per cent of the 40  
average rate of unemployment for this state for the same period. 41

(c) At least twenty per cent of the people residing in the 42  
district live at or below the poverty level as defined in the 43  
federal Housing and Community Development Act of 1974, 42 U.S.C. 44  
5301, as amended, and regulations adopted pursuant to that act. 45

(d) The district is a blighted area. 46

(e) The district is in a situational distress area as 47  
designated by the director of development services under 48  
division (F) of section 122.23 of the Revised Code. 49

(f) As certified by the engineer for the political 50  
subdivision, the public infrastructure serving the district is 51  
inadequate to meet the development needs of the district as 52  
evidenced by a written economic development plan or urban 53  
renewal plan for the district that has been adopted by the 54  
legislative authority of the subdivision. 55

(g) The district is comprised entirely of unimproved land 56  
that is located in a distressed area as defined in section 57  
122.23 of the Revised Code. 58

(6) "Overlay" means an area of not more than three hundred 59  
acres that is a square, or that is a rectangle having two longer 60  
sides that are not more than twice the length of the two shorter 61  
sides, that the legislative authority of a municipal corporation 62  
delineates on a map of a proposed incentive district. 63

(7) "Project" means development activities undertaken on 64  
one or more parcels, including, but not limited to, 65  
construction, expansion, and alteration of buildings or 66  
structures, demolition, remediation, and site development, and 67  
any building or structure that results from those activities. 68

~~(7)~~(8) "Public infrastructure improvement" includes, but 69  
is not limited to, public roads and highways; water and sewer 70  
lines; environmental remediation; land acquisition, including 71  
acquisition in aid of industry, commerce, distribution, or 72  
research; demolition, including demolition on private property 73  
when determined to be necessary for economic development 74  
purposes; stormwater and flood remediation projects, including 75

such projects on private property when determined to be 76  
necessary for public health, safety, and welfare; the provision 77  
of gas, electric, and communications service facilities, 78  
including the provision of gas or electric service facilities 79  
owned by nongovernmental entities when such improvements are 80  
determined to be necessary for economic development purposes; 81  
and the enhancement of public waterways through improvements 82  
that allow for greater public access. 83

(B) The legislative authority of a municipal corporation, 84  
by ordinance, may declare improvements to certain parcels of 85  
real property located in the municipal corporation to be a 86  
public purpose. Improvements with respect to a parcel that is 87  
used or to be used for residential purposes may be declared a 88  
public purpose under this division only if the parcel is located 89  
in a blighted area of an impacted city. For this purpose, 90  
"parcel that is used or to be used for residential purposes" 91  
means a parcel that, as improved, is used or to be used for 92  
purposes that would cause the tax commissioner to classify the 93  
parcel as residential property in accordance with rules adopted 94  
by the commissioner under section 5713.041 of the Revised Code. 95  
Except with the approval under division (D) of this section of 96  
the board of education of each city, local, or exempted village 97  
school district within which the improvements are located, not 98  
more than seventy-five per cent of an improvement thus declared 99  
to be a public purpose may be exempted from real property 100  
taxation for a period of not more than ten years. The ordinance 101  
shall specify the percentage of the improvement to be exempted 102  
from taxation and the life of the exemption. 103

An ordinance adopted or amended under this division shall 104  
designate the specific public infrastructure improvements made, 105  
to be made, or in the process of being made by the municipal 106

corporation that directly benefit, or that once made will 107  
directly benefit, the parcels for which improvements are 108  
declared to be a public purpose. The service payments provided 109  
for in section 5709.42 of the Revised Code shall be used to 110  
finance the public infrastructure improvements designated in the 111  
ordinance, for the purpose described in division (D) (1) of this 112  
section or as provided in section 5709.43 of the Revised Code. 113

(C) (1) The legislative authority of a municipal 114  
corporation may adopt an ordinance creating an incentive 115  
district and declaring improvements to parcels within the 116  
district to be a public purpose and, except as provided in 117  
division ~~(F)~~ (C) (2) of this section, exempt from taxation as 118  
provided in this section, but no legislative authority of a 119  
municipal corporation that has a population that exceeds twenty- 120  
five thousand, as shown by the most recent federal decennial 121  
census, shall adopt an ordinance that creates an incentive 122  
district if the sum of the taxable value of real property in the 123  
proposed district for the preceding tax year and the taxable 124  
value of all real property in the municipal corporation that 125  
would have been taxable in the preceding year were it not for 126  
the fact that the property was in an existing incentive district 127  
and therefore exempt from taxation exceeds twenty-five per cent 128  
of the taxable value of real property in the municipal 129  
corporation for the preceding tax year. The ordinance shall 130  
delineate the boundary of the proposed district and specifically 131  
identify each parcel within the district. A proposed district 132  
may not include any parcel that is or has been exempted from 133  
taxation under division (B) of this section or that is or has 134  
been within another district created under this division. An 135  
ordinance may create more than one such district, and more than 136  
one ordinance may be adopted under division (C) (1) of this 137

section. 138

(2) (a) Not later than thirty days prior to adopting an 139  
ordinance under division (C) (1) of this section, if the 140  
municipal corporation intends to apply for exemptions from 141  
taxation under section 5709.911 of the Revised Code on behalf of 142  
owners of real property located within the proposed incentive 143  
district, the legislative authority of ~~a~~ the municipal 144  
corporation shall conduct a public hearing on the proposed 145  
ordinance. Not later than thirty days prior to the public 146  
hearing, the legislative authority shall give notice of the 147  
public hearing and the proposed ordinance by first class mail to 148  
every real property owner whose property is located within the 149  
boundaries of the proposed incentive district that is the 150  
subject of the proposed ordinance. The notice shall include a 151  
map of the proposed incentive district on which the legislative 152  
authority of the municipal corporation shall have delineated an 153  
overlay. The notice shall inform the property owner of the 154  
owner's right to exclude the owner's property from the incentive 155  
district if the owner's entire parcel of property will not be 156  
located within the overlay, by submitting a written response in 157  
accordance with division (C) (2) (b) of this section. The notice 158  
also shall include information detailing the required contents 159  
of the response, the address to which the response may be 160  
mailed, and the deadline for submitting the response. 161

(b) Any owner of real property located within the 162  
boundaries of an incentive district proposed under division (C) 163  
(1) of this section whose entire parcel of property is not 164  
located within the overlay may exclude the property from the 165  
proposed incentive district by submitting a written response to 166  
the legislative authority of the municipal corporation not later 167  
than forty-five days after the postmark date on the notice 168

required under division (C) (2) (a) of this section. The response 169  
shall be sent by first class mail or delivered in person at a 170  
public hearing held by the legislative authority under division 171  
(C) (2) (a) of this section. The response shall conform to any 172  
content requirements that may be established by the municipal 173  
corporation and included in the notice provided under division 174  
(C) (2) (a) of this section. In the response, property owners may 175  
identify a parcel by street address, by the manner in which it 176  
is identified in the ordinance, or by other means allowing the 177  
identity of the parcel to be ascertained. 178

(c) Before adopting an ordinance under division (C) (1) of 179  
this section, the legislative authority of a municipal 180  
corporation shall amend the ordinance to exclude any parcel 181  
located wholly or partly outside the overlay for which a written 182  
response has been submitted under division (C) (2) (b) of this 183  
section. A municipal corporation shall not apply for exemptions 184  
from taxation under section 5709.911 of the Revised Code for any 185  
such parcel, and service payments may not be required from the 186  
owner of the parcel. Improvements to a parcel excluded from an 187  
incentive district under this division may be exempted from 188  
taxation under division (B) of this section pursuant to an 189  
ordinance adopted under that division or under any other section 190  
of the Revised Code under which the parcel qualifies. 191

(3) (a) An ordinance adopted under division (C) (1) of this 192  
section shall specify the life of the incentive district and the 193  
percentage of the improvements to be exempted, shall designate 194  
the public infrastructure improvements made, to be made, or in 195  
the process of being made, that benefit or serve, or, once made, 196  
will benefit or serve parcels in the district. The ordinance 197  
also shall identify one or more specific projects being, or to 198  
be, undertaken in the district that place additional demand on 199

the public infrastructure improvements designated in the 200  
ordinance. The project identified may, but need not be, the 201  
project under division (C) (3) (b) of this section that places 202  
real property in use for commercial or industrial purposes. 203  
Except as otherwise permitted under that division, the service 204  
payments provided for in section 5709.42 of the Revised Code 205  
shall be used to finance the designated public infrastructure 206  
improvements, for the purpose described in division (D) (1) ~~or~~, 207  
(E), or (F) of this section, or as provided in section 5709.43 208  
of the Revised Code. 209

An ordinance adopted under division (C) (1) of this section 210  
on or after March 30, 2006, shall not designate police or fire 211  
equipment as public infrastructure improvements, and no service 212  
payment provided for in section 5709.42 of the Revised Code and 213  
received by the municipal corporation under the ordinance shall 214  
be used for police or fire equipment. 215

(b) An ordinance adopted under division (C) (1) of this 216  
section may authorize the use of service payments provided for 217  
in section 5709.42 of the Revised Code for the purpose of 218  
housing renovations within the incentive district, provided that 219  
the ordinance also designates public infrastructure improvements 220  
that benefit or serve the district, and that a project within 221  
the district places real property in use for commercial or 222  
industrial purposes. Service payments may be used to finance or 223  
support loans, deferred loans, and grants to persons for the 224  
purpose of housing renovations within the district. The 225  
ordinance shall designate the parcels within the district that 226  
are eligible for housing renovation. The ordinance shall state 227  
separately the amounts or the percentages of the expected 228  
aggregate service payments that are designated for each public 229  
infrastructure improvement and for the general purpose of 230

housing renovations. 231

(4) Except with the approval of the board of education of 232  
each city, local, or exempted village school district within the 233  
territory of which the incentive district is or will be located, 234  
and subject to division (E) of this section, the life of an 235  
incentive district shall not exceed ten years, and the 236  
percentage of improvements to be exempted shall not exceed 237  
seventy-five per cent. With approval of the board of education, 238  
the life of a district may be not more than thirty years, and 239  
the percentage of improvements to be exempted may be not more 240  
than one hundred per cent. The approval of a board of education 241  
shall be obtained in the manner provided in division (D) of this 242  
section. 243

(D) (1) If the ordinance declaring improvements to a parcel 244  
to be a public purpose or creating an incentive district 245  
specifies that payments in lieu of taxes provided for in section 246  
5709.42 of the Revised Code shall be paid to the city, local, or 247  
exempted village, and joint vocational school district in which 248  
the parcel or incentive district is located in the amount of the 249  
taxes that would have been payable to the school district if the 250  
improvements had not been exempted from taxation, the percentage 251  
of the improvement that may be exempted from taxation may exceed 252  
seventy-five per cent, and the exemption may be granted for up 253  
to thirty years, without the approval of the board of education 254  
as otherwise required under division (D) (2) of this section. 255

(2) Improvements with respect to a parcel may be exempted 256  
from taxation under division (B) of this section, and 257  
improvements to parcels within an incentive district may be 258  
exempted from taxation under division (C) of this section, for 259  
up to ten years or, with the approval under this paragraph of 260

the board of education of the city, local, or exempted village 261  
school district within which the parcel or district is located, 262  
for up to thirty years. The percentage of the improvement 263  
exempted from taxation may, with such approval, exceed seventy- 264  
five per cent, but shall not exceed one hundred per cent. Not 265  
later than forty-five business days prior to adopting an 266  
ordinance under this section declaring improvements to be a 267  
public purpose that is subject to approval by a board of 268  
education under this division, the legislative authority shall 269  
deliver to the board of education a notice stating its intent to 270  
adopt an ordinance making that declaration. The notice regarding 271  
improvements with respect to a parcel under division (B) of this 272  
section shall identify the parcels for which improvements are to 273  
be exempted from taxation, provide an estimate of the true value 274  
in money of the improvements, specify the period for which the 275  
improvements would be exempted from taxation and the percentage 276  
of the improvement that would be exempted, and indicate the date 277  
on which the legislative authority intends to adopt the 278  
ordinance. The notice regarding improvements to parcels within 279  
an incentive district under division (C) of this section shall 280  
delineate the boundaries of the district, specifically identify 281  
each parcel within the district, identify each anticipated 282  
improvement in the district, provide an estimate of the true 283  
value in money of each such improvement, specify the life of the 284  
district and the percentage of improvements that would be 285  
exempted, and indicate the date on which the legislative 286  
authority intends to adopt the ordinance. The board of 287  
education, by resolution adopted by a majority of the board, may 288  
approve the exemption for the period or for the exemption 289  
percentage specified in the notice; may disapprove the exemption 290  
for the number of years in excess of ten, may disapprove the 291  
exemption for the percentage of the improvement to be exempted 292

in excess of seventy-five per cent, or both; or may approve the 293  
exemption on the condition that the legislative authority and 294  
the board negotiate an agreement providing for compensation to 295  
the school district equal in value to a percentage of the amount 296  
of taxes exempted in the eleventh and subsequent years of the 297  
exemption period or, in the case of exemption percentages in 298  
excess of seventy-five per cent, compensation equal in value to 299  
a percentage of the taxes that would be payable on the portion 300  
of the improvement in excess of seventy-five per cent were that 301  
portion to be subject to taxation, or other mutually agreeable 302  
compensation. If an agreement is negotiated between the 303  
legislative authority and the board to compensate the school 304  
district for all or part of the taxes exempted, including 305  
agreements for payments in lieu of taxes under section 5709.42 306  
of the Revised Code, the legislative authority shall compensate 307  
the joint vocational school district within which the parcel or 308  
district is located at the same rate and under the same terms 309  
received by the city, local, or exempted village school 310  
district. 311

(3) The board of education shall certify its resolution to 312  
the legislative authority not later than fourteen days prior to 313  
the date the legislative authority intends to adopt the 314  
ordinance as indicated in the notice. If the board of education 315  
and the legislative authority negotiate a mutually acceptable 316  
compensation agreement, the ordinance may declare the 317  
improvements a public purpose for the number of years specified 318  
in the ordinance or, in the case of exemption percentages in 319  
excess of seventy-five per cent, for the exemption percentage 320  
specified in the ordinance. In either case, if the board and the 321  
legislative authority fail to negotiate a mutually acceptable 322  
compensation agreement, the ordinance may declare the 323

improvements a public purpose for not more than ten years, and 324  
shall not exempt more than seventy-five per cent of the 325  
improvements from taxation. If the board fails to certify a 326  
resolution to the legislative authority within the time 327  
prescribed by this division, the legislative authority thereupon 328  
may adopt the ordinance and may declare the improvements a 329  
public purpose for up to thirty years, or, in the case of 330  
exemption percentages proposed in excess of seventy-five per 331  
cent, for the exemption percentage specified in the ordinance. 332  
The legislative authority may adopt the ordinance at any time 333  
after the board of education certifies its resolution approving 334  
the exemption to the legislative authority, or, if the board 335  
approves the exemption on the condition that a mutually 336  
acceptable compensation agreement be negotiated, at any time 337  
after the compensation agreement is agreed to by the board and 338  
the legislative authority. 339

(4) If a board of education has adopted a resolution 340  
waiving its right to approve exemptions from taxation under this 341  
section and the resolution remains in effect, approval of 342  
exemptions by the board is not required under division (D) of 343  
this section. If a board of education has adopted a resolution 344  
allowing a legislative authority to deliver the notice required 345  
under division (D) of this section fewer than forty-five 346  
business days prior to the legislative authority's adoption of 347  
the ordinance, the legislative authority shall deliver the 348  
notice to the board not later than the number of days prior to 349  
such adoption as prescribed by the board in its resolution. If a 350  
board of education adopts a resolution waiving its right to 351  
approve agreements or shortening the notification period, the 352  
board shall certify a copy of the resolution to the legislative 353  
authority. If the board of education rescinds such a resolution, 354

it shall certify notice of the rescission to the legislative authority. 355  
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(5) If the legislative authority is not required by 357  
division (D) of this section to notify the board of education of 358  
the legislative authority's intent to declare improvements to be 359  
a public purpose, the legislative authority shall comply with 360  
the notice requirements imposed under section 5709.83 of the 361  
Revised Code, unless the board has adopted a resolution under 362  
that section waiving its right to receive such a notice. 363

(E) (1) If a proposed ordinance under division (C) (1) of 364  
this section exempts improvements with respect to a parcel 365  
within an incentive district for more than ten years, or the 366  
percentage of the improvement exempted from taxation exceeds 367  
seventy-five per cent, not later than forty-five business days 368  
prior to adopting the ordinance the legislative authority of the 369  
municipal corporation shall deliver to the board of county 370  
commissioners of the county within which the incentive district 371  
will be located a notice that states its intent to adopt an 372  
ordinance creating an incentive district. The notice shall 373  
include a copy of the proposed ordinance, identify the parcels 374  
for which improvements are to be exempted from taxation, provide 375  
an estimate of the true value in money of the improvements, 376  
specify the period of time for which the improvements would be 377  
exempted from taxation, specify the percentage of the 378  
improvements that would be exempted from taxation, and indicate 379  
the date on which the legislative authority intends to adopt the 380  
ordinance. 381

(2) The board of county commissioners, by resolution 382  
adopted by a majority of the board, may object to the exemption 383  
for the number of years in excess of ten, may object to the 384

exemption for the percentage of the improvement to be exempted 385  
in excess of seventy-five per cent, or both. If the board of 386  
county commissioners objects, the board may negotiate a mutually 387  
acceptable compensation agreement with the legislative 388  
authority. In no case shall the compensation provided to the 389  
board exceed the property taxes forgone due to the exemption. If 390  
the board of county commissioners objects, and the board and 391  
legislative authority fail to negotiate a mutually acceptable 392  
compensation agreement, the ordinance adopted under division (C) 393  
(1) of this section shall provide to the board compensation in 394  
the eleventh and subsequent years of the exemption period equal 395  
in value to not more than fifty per cent of the taxes that would 396  
be payable to the county or, if the board's objection includes 397  
an objection to an exemption percentage in excess of seventy- 398  
five per cent, compensation equal in value to not more than 399  
fifty per cent of the taxes that would be payable to the county, 400  
on the portion of the improvement in excess of seventy-five per 401  
cent, were that portion to be subject to taxation. The board of 402  
county commissioners shall certify its resolution to the 403  
legislative authority not later than thirty days after receipt 404  
of the notice. 405

(3) If the board of county commissioners does not object 406  
or fails to certify its resolution objecting to an exemption 407  
within thirty days after receipt of the notice, the legislative 408  
authority may adopt the ordinance, and no compensation shall be 409  
provided to the board of county commissioners. If the board 410  
timely certifies its resolution objecting to the ordinance, the 411  
legislative authority may adopt the ordinance at any time after 412  
a mutually acceptable compensation agreement is agreed to by the 413  
board and the legislative authority, or, if no compensation 414  
agreement is negotiated, at any time after the legislative 415

authority agrees in the proposed ordinance to provide 416  
compensation to the board of fifty per cent of the taxes that 417  
would be payable to the county in the eleventh and subsequent 418  
years of the exemption period or on the portion of the 419  
improvement in excess of seventy-five per cent, were that 420  
portion to be subject to taxation. 421

(F) Service payments in lieu of taxes that are 422  
attributable to any amount by which the effective tax rate of 423  
either a renewal levy with an increase or a replacement levy 424  
exceeds the effective tax rate of the levy renewed or replaced, 425  
or that are attributable to an additional levy, for a levy 426  
authorized by the voters for any of the following purposes on or 427  
after January 1, 2006, and which are provided pursuant to an 428  
ordinance creating an incentive district under division (C) (1) 429  
of this section that is adopted on or after January 1, 2006, 430  
shall be distributed to the appropriate taxing authority as 431  
required under division (C) of section 5709.42 of the Revised 432  
Code in an amount equal to the amount of taxes from that 433  
additional levy or from the increase in the effective tax rate 434  
of such renewal or replacement levy that would have been payable 435  
to that taxing authority from the following levies were it not 436  
for the exemption authorized under division (C) of this section: 437

(1) A tax levied under division (L) of section 5705.19 or 438  
section 5705.191 of the Revised Code for community mental 439  
retardation and developmental disabilities programs and services 440  
pursuant to Chapter 5126. of the Revised Code; 441

(2) A tax levied under division (Y) of section 5705.19 of 442  
the Revised Code for providing or maintaining senior citizens 443  
services or facilities; 444

(3) A tax levied under section 5705.22 of the Revised Code 445

for county hospitals;	446
(4) A tax levied by a joint-county district or by a county	447
under section 5705.19, 5705.191, or 5705.221 of the Revised Code	448
for alcohol, drug addiction, and mental health services or	449
facilities;	450
(5) A tax levied under section 5705.23 of the Revised Code	451
for library purposes;	452
(6) A tax levied under section 5705.24 of the Revised Code	453
for the support of children services and the placement and care	454
of children;	455
(7) A tax levied under division (Z) of section 5705.19 of	456
the Revised Code for the provision and maintenance of zoological	457
park services and facilities under section 307.76 of the Revised	458
Code;	459
(8) A tax levied under section 511.27 or division (H) of	460
section 5705.19 of the Revised Code for the support of township	461
park districts;	462
(9) A tax levied under division (A), (F), or (H) of	463
section 5705.19 of the Revised Code for parks and recreational	464
purposes of a joint recreation district organized pursuant to	465
division (B) of section 755.14 of the Revised Code;	466
(10) A tax levied under section 1545.20 or 1545.21 of the	467
Revised Code for park district purposes;	468
(11) A tax levied under section 5705.191 of the Revised	469
Code for the purpose of making appropriations for public	470
assistance; human or social services; public relief; public	471
welfare; public health and hospitalization; and support of	472
general hospitals;	473

(12) A tax levied under section 3709.29 of the Revised Code for a general health district program. 474  
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(G) An exemption from taxation granted under this section commences with the tax year specified in the ordinance so long as the year specified in the ordinance commences after the effective date of the ordinance. If the ordinance specifies a year commencing before the effective date of the resolution or specifies no year whatsoever, the exemption commences with the tax year in which an exempted improvement first appears on the tax list and duplicate of real and public utility property and that commences after the effective date of the ordinance. In lieu of stating a specific year, the ordinance may provide that the exemption commences in the tax year in which the value of an improvement exceeds a specified amount or in which the construction of one or more improvements is completed, provided that such tax year commences after the effective date of the ordinance. With respect to the exemption of improvements to parcels under division (B) of this section, the ordinance may allow for the exemption to commence in different tax years on a parcel-by-parcel basis, with a separate exemption term specified for each parcel. 476  
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Except as otherwise provided in this division, the exemption ends on the date specified in the ordinance as the date the improvement ceases to be a public purpose or the incentive district expires, or ends on the date on which the public infrastructure improvements and housing renovations are paid in full from the municipal public improvement tax increment equivalent fund established under division (A) of section 5709.43 of the Revised Code, whichever occurs first. The exemption of an improvement with respect to a parcel or within an incentive district may end on a later date, as specified in 495  
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the ordinance, if the legislative authority and the board of 505  
education of the city, local, or exempted village school 506  
district within which the parcel or district is located have 507  
entered into a compensation agreement under section 5709.82 of 508  
the Revised Code with respect to the improvement, and the board 509  
of education has approved the term of the exemption under 510  
division (D)(2) of this section, but in no case shall the 511  
improvement be exempted from taxation for more than thirty 512  
years. Exemptions shall be claimed and allowed in the same 513  
manner as in the case of other real property exemptions. If an 514  
exemption status changes during a year, the procedure for the 515  
apportionment of the taxes for that year is the same as in the 516  
case of other changes in tax exemption status during the year. 517

(H) Additional municipal financing of public 518  
infrastructure improvements and housing renovations may be 519  
provided by any methods that the municipal corporation may 520  
otherwise use for financing such improvements or renovations. If 521  
the municipal corporation issues bonds or notes to finance the 522  
public infrastructure improvements and housing renovations and 523  
pledges money from the municipal public improvement tax 524  
increment equivalent fund to pay the interest on and principal 525  
of the bonds or notes, the bonds or notes are not subject to 526  
Chapter 133. of the Revised Code. 527

(I) The municipal corporation, not later than fifteen days 528  
after the adoption of an ordinance under this section, shall 529  
submit to the director of development services a copy of the 530  
ordinance. On or before the thirty-first day of March of each 531  
year, the municipal corporation shall submit a status report to 532  
the director of development services. The report shall indicate, 533  
in the manner prescribed by the director, the progress of the 534  
project during each year that an exemption remains in effect, 535

including a summary of the receipts from service payments in 536  
lieu of taxes; expenditures of money from the funds created 537  
under section 5709.43 of the Revised Code; a description of the 538  
public infrastructure improvements and housing renovations 539  
financed with such expenditures; and a quantitative summary of 540  
changes in employment and private investment resulting from each 541  
project. 542

(J) Nothing in this section shall be construed to prohibit 543  
a legislative authority from declaring to be a public purpose 544  
improvements with respect to more than one parcel. 545

(K) If a parcel is located in a new community district in 546  
which the new community authority imposes a community 547  
development charge on the basis of rentals received from leases 548  
of real property as described in division (L) (2) of section 549  
349.01 of the Revised Code, the parcel may not be exempted from 550  
taxation under this section. 551

**Sec. 5709.73.** (A) As used in this section and section 552  
5709.74 of the Revised Code: 553

(1) "Business day" means a day of the week excluding 554  
Saturday, Sunday, and a legal holiday as defined in section 1.14 555  
of the Revised Code. 556

(2) "Further improvements" or "improvements" means the 557  
increase in the assessed value of real property that would first 558  
appear on the tax list and duplicate of real and public utility 559  
property after the effective date of a resolution adopted under 560  
this section were it not for the exemption granted by that 561  
resolution. For purposes of division (B) of this section, 562  
"improvements" do not include any property used or to be used 563  
for residential purposes. For this purpose, "property that is 564

used or to be used for residential purposes" means property 565  
that, as improved, is used or to be used for purposes that would 566  
cause the tax commissioner to classify the property as 567  
residential property in accordance with rules adopted by the 568  
commissioner under section 5713.041 of the Revised Code. 569

(3) "Housing renovation" means a project carried out for 570  
residential purposes. 571

(4) "Incentive district" has the same meaning as in 572  
section 5709.40 of the Revised Code, except that a blighted area 573  
is in the unincorporated area of a township. 574

(5) "Overlay" has the same meaning as in section 5709.40 575  
of the Revised Code, except that the overlay is delineated by 576  
the board of township trustees. 577

(6) "Project" and "public infrastructure improvement" have 578  
the same meanings as in section 5709.40 of the Revised Code. 579

(B) A board of township trustees may, by unanimous vote, 580  
adopt a resolution that declares to be a public purpose any 581  
public infrastructure improvements made that are necessary for 582  
the development of certain parcels of land located in the 583  
unincorporated area of the township. Except with the approval 584  
under division (D) of this section of the board of education of 585  
each city, local, or exempted village school district within 586  
which the improvements are located, the resolution may exempt 587  
from real property taxation not more than seventy-five per cent 588  
of further improvements to a parcel of land that directly 589  
benefits from the public infrastructure improvements, for a 590  
period of not more than ten years. The resolution shall specify 591  
the percentage of the further improvements to be exempted and 592  
the life of the exemption. 593

(C) (1) A board of township trustees may adopt, by 594  
unanimous vote, a resolution creating an incentive district and 595  
declaring improvements to parcels within the district to be a 596  
public purpose and, except as provided in division ~~(F)~~ (C) (2) of 597  
this section, exempt from taxation as provided in this section, 598  
but no board of township trustees of a township that has a 599  
population that exceeds twenty-five thousand, as shown by the 600  
most recent federal decennial census, shall adopt a resolution 601  
that creates an incentive district if the sum of the taxable 602  
value of real property in the proposed district for the 603  
preceding tax year and the taxable value of all real property in 604  
the township that would have been taxable in the preceding year 605  
were it not for the fact that the property was in an existing 606  
incentive district and therefore exempt from taxation exceeds 607  
twenty-five per cent of the taxable value of real property in 608  
the township for the preceding tax year. The district shall be 609  
located within the unincorporated area of the township and shall 610  
not include any territory that is included within a district 611  
created under division (B) of section 5709.78 of the Revised 612  
Code. The resolution shall delineate the boundary of the 613  
proposed district and specifically identify each parcel within 614  
the district. A proposed district may not include any parcel 615  
that is or has been exempted from taxation under division (B) of 616  
this section or that is or has been within another district 617  
created under this division. A resolution may create more than 618  
one such district, and more than one resolution may be adopted 619  
under division (C) (1) of this section. 620

(2) (a) Not later than thirty days prior to adopting a 621  
resolution under division (C) (1) of this section, if the 622  
township intends to apply for exemptions from taxation under 623  
section 5709.911 of the Revised Code on behalf of owners of real 624

property located within the proposed incentive district, the 625  
board shall conduct a public hearing on the proposed resolution. 626  
Not later than thirty days prior to the public hearing, the 627  
board shall give notice of the public hearing and the proposed 628  
resolution by first class mail to every real property owner 629  
whose property is located within the boundaries of the proposed 630  
incentive district that is the subject of the proposed 631  
resolution. The notice shall include a map of the proposed 632  
incentive district on which the board of township trustees shall 633  
have delineated an overlay. The notice shall inform the property 634  
owner of the owner's right to exclude the owner's property from 635  
the incentive district if the owner's entire parcel of property 636  
will not be located within the overlay, by submitting a written 637  
response in accordance with division (C)(2)(b) of this section. 638  
The notice also shall include information detailing the required 639  
contents of the response, the address to which the response may 640  
be mailed, and the deadline for submitting the response. 641

(b) Any owner of real property located within the 642  
boundaries of an incentive district proposed under division (C) 643  
(1) of this section whose entire parcel of property is not 644  
located within the overlay may exclude the property from the 645  
proposed incentive district by submitting a written response to 646  
the board not later than forty-five days after the postmark date 647  
on the notice required under division (C)(2)(a) of this section. 648  
The response shall be sent by first class mail or delivered in 649  
person at a public hearing held by the board under division (C) 650  
(2)(a) of this section. The response shall conform to any 651  
content requirements that may be established by the board and 652  
included in the notice provided under division (C)(2)(a) of this 653  
section. In the response, property owners may identify a parcel 654  
by street address, by the manner in which it is identified in 655

the resolution, or by other means allowing the identity of the 656  
parcel to be ascertained. 657

(c) Before adopting a resolution under division (C) (1) of 658  
this section, the board shall amend the resolution to exclude 659  
any parcel located wholly or partly outside the overlay for 660  
which a written response has been submitted under division (C) 661  
(2) (b) of this section. A township shall not apply for 662  
exemptions from taxation under section 5709.911 of the Revised 663  
Code for any such parcel, and service payments may not be 664  
required from the owner of the parcel. Improvements to a parcel 665  
excluded from an incentive district under this division may be 666  
exempted from taxation under division (B) of this section 667  
pursuant to a resolution adopted under that division or under 668  
any other section of the Revised Code under which the parcel 669  
qualifies. 670

(3) (a) A resolution adopted under division (C) (1) of this 671  
section shall specify the life of the incentive district and the 672  
percentage of the improvements to be exempted, shall designate 673  
the public infrastructure improvements made, to be made, or in 674  
the process of being made, that benefit or serve, or, once made, 675  
will benefit or serve parcels in the district. The resolution 676  
also shall identify one or more specific projects being, or to 677  
be, undertaken in the district that place additional demand on 678  
the public infrastructure improvements designated in the 679  
resolution. The project identified may, but need not be, the 680  
project under division (C) (3) (b) of this section that places 681  
real property in use for commercial or industrial purposes. 682

A resolution adopted under division (C) (1) of this section 683  
on or after March 30, 2006, shall not designate police or fire 684  
equipment as public infrastructure improvements, and no service 685

payment provided for in section 5709.74 of the Revised Code and 686  
received by the township under the resolution shall be used for 687  
police or fire equipment. 688

(b) A resolution adopted under division (C)(1) of this 689  
section may authorize the use of service payments provided for 690  
in section 5709.74 of the Revised Code for the purpose of 691  
housing renovations within the incentive district, provided that 692  
the resolution also designates public infrastructure 693  
improvements that benefit or serve the district, and that a 694  
project within the district places real property in use for 695  
commercial or industrial purposes. Service payments may be used 696  
to finance or support loans, deferred loans, and grants to 697  
persons for the purpose of housing renovations within the 698  
district. The resolution shall designate the parcels within the 699  
district that are eligible for housing renovations. The 700  
resolution shall state separately the amount or the percentages 701  
of the expected aggregate service payments that are designated 702  
for each public infrastructure improvement and for the purpose 703  
of housing renovations. 704

(4) Except with the approval of the board of education of 705  
each city, local, or exempted village school district within the 706  
territory of which the incentive district is or will be located, 707  
and subject to division (E) of this section, the life of an 708  
incentive district shall not exceed ten years, and the 709  
percentage of improvements to be exempted shall not exceed 710  
seventy-five per cent. With approval of the board of education, 711  
the life of a district may be not more than thirty years, and 712  
the percentage of improvements to be exempted may be not more 713  
than one hundred per cent. The approval of a board of education 714  
shall be obtained in the manner provided in division (D) of this 715  
section. 716

(D) Improvements with respect to a parcel may be exempted 717  
from taxation under division (B) of this section, and 718  
improvements to parcels within an incentive district may be 719  
exempted from taxation under division (C) of this section, for 720  
up to ten years or, with the approval of the board of education 721  
of the city, local, or exempted village school district within 722  
which the parcel or district is located, for up to thirty years. 723  
The percentage of the improvements exempted from taxation may, 724  
with such approval, exceed seventy-five per cent, but shall not 725  
exceed one hundred per cent. Not later than forty-five business 726  
days prior to adopting a resolution under this section declaring 727  
improvements to be a public purpose that is subject to approval 728  
by a board of education under this division, the board of 729  
township trustees shall deliver to the board of education a 730  
notice stating its intent to adopt a resolution making that 731  
declaration. The notice regarding improvements with respect to a 732  
parcel under division (B) of this section shall identify the 733  
parcels for which improvements are to be exempted from taxation, 734  
provide an estimate of the true value in money of the 735  
improvements, specify the period for which the improvements 736  
would be exempted from taxation and the percentage of the 737  
improvements that would be exempted, and indicate the date on 738  
which the board of township trustees intends to adopt the 739  
resolution. The notice regarding improvements made under 740  
division (C) of this section to parcels within an incentive 741  
district shall delineate the boundaries of the district, 742  
specifically identify each parcel within the district, identify 743  
each anticipated improvement in the district, provide an 744  
estimate of the true value in money of each such improvement, 745  
specify the life of the district and the percentage of 746  
improvements that would be exempted, and indicate the date on 747  
which the board of township trustees intends to adopt the 748

resolution. The board of education, by resolution adopted by a 749  
majority of the board, may approve the exemption for the period 750  
or for the exemption percentage specified in the notice; may 751  
disapprove the exemption for the number of years in excess of 752  
ten, may disapprove the exemption for the percentage of the 753  
improvements to be exempted in excess of seventy-five per cent, 754  
or both; or may approve the exemption on the condition that the 755  
board of township trustees and the board of education negotiate 756  
an agreement providing for compensation to the school district 757  
equal in value to a percentage of the amount of taxes exempted 758  
in the eleventh and subsequent years of the exemption period or, 759  
in the case of exemption percentages in excess of seventy-five 760  
per cent, compensation equal in value to a percentage of the 761  
taxes that would be payable on the portion of the improvements 762  
in excess of seventy-five per cent were that portion to be 763  
subject to taxation, or other mutually agreeable compensation. 764

The board of education shall certify its resolution to the 765  
board of township trustees not later than fourteen days prior to 766  
the date the board of township trustees intends to adopt the 767  
resolution as indicated in the notice. If the board of education 768  
and the board of township trustees negotiate a mutually 769  
acceptable compensation agreement, the resolution may declare 770  
the improvements a public purpose for the number of years 771  
specified in the resolution or, in the case of exemption 772  
percentages in excess of seventy-five per cent, for the 773  
exemption percentage specified in the resolution. In either 774  
case, if the board of education and the board of township 775  
trustees fail to negotiate a mutually acceptable compensation 776  
agreement, the resolution may declare the improvements a public 777  
purpose for not more than ten years, and shall not exempt more 778  
than seventy-five per cent of the improvements from taxation. If 779

the board of education fails to certify a resolution to the 780  
board of township trustees within the time prescribed by this 781  
section, the board of township trustees thereupon may adopt the 782  
resolution and may declare the improvements a public purpose for 783  
up to thirty years or, in the case of exemption percentages 784  
proposed in excess of seventy-five per cent, for the exemption 785  
percentage specified in the resolution. The board of township 786  
trustees may adopt the resolution at any time after the board of 787  
education certifies its resolution approving the exemption to 788  
the board of township trustees, or, if the board of education 789  
approves the exemption on the condition that a mutually 790  
acceptable compensation agreement be negotiated, at any time 791  
after the compensation agreement is agreed to by the board of 792  
education and the board of township trustees. If a mutually 793  
acceptable compensation agreement is negotiated between the 794  
board of township trustees and the board of education, including 795  
agreements for payments in lieu of taxes under section 5709.74 796  
of the Revised Code, the board of township trustees shall 797  
compensate the joint vocational school district within which the 798  
parcel or district is located at the same rate and under the 799  
same terms received by the city, local, or exempted village 800  
school district. 801

If a board of education has adopted a resolution waiving 802  
its right to approve exemptions from taxation under this section 803  
and the resolution remains in effect, approval of such 804  
exemptions by the board of education is not required under 805  
division (D) of this section. If a board of education has 806  
adopted a resolution allowing a board of township trustees to 807  
deliver the notice required under division (D) of this section 808  
fewer than forty-five business days prior to adoption of the 809  
resolution by the board of township trustees, the board of 810

township trustees shall deliver the notice to the board of 811  
education not later than the number of days prior to the 812  
adoption as prescribed by the board of education in its 813  
resolution. If a board of education adopts a resolution waiving 814  
its right to approve exemptions or shortening the notification 815  
period, the board of education shall certify a copy of the 816  
resolution to the board of township trustees. If the board of 817  
education rescinds the resolution, it shall certify notice of 818  
the rescission to the board of township trustees. 819

If the board of township trustees is not required by 820  
division (D) of this section to notify the board of education of 821  
the board of township trustees' intent to declare improvements 822  
to be a public purpose, the board of township trustees shall 823  
comply with the notice requirements imposed under section 824  
5709.83 of the Revised Code before taking formal action to adopt 825  
the resolution making that declaration, unless the board of 826  
education has adopted a resolution under that section waiving 827  
its right to receive the notice. 828

(E) (1) If a proposed resolution under division (C) (1) of 829  
this section exempts improvements with respect to a parcel 830  
within an incentive district for more than ten years, or the 831  
percentage of the improvement exempted from taxation exceeds 832  
seventy-five per cent, not later than forty-five business days 833  
prior to adopting the resolution the board of township trustees 834  
shall deliver to the board of county commissioners of the county 835  
within which the incentive district is or will be located a 836  
notice that states its intent to adopt a resolution creating an 837  
incentive district. The notice shall include a copy of the 838  
proposed resolution, identify the parcels for which improvements 839  
are to be exempted from taxation, provide an estimate of the 840  
true value in money of the improvements, specify the period of 841

time for which the improvements would be exempted from taxation, 842  
specify the percentage of the improvements that would be 843  
exempted from taxation, and indicate the date on which the board 844  
of township trustees intends to adopt the resolution. 845

(2) The board of county commissioners, by resolution 846  
adopted by a majority of the board, may object to the exemption 847  
for the number of years in excess of ten, may object to the 848  
exemption for the percentage of the improvement to be exempted 849  
in excess of seventy-five per cent, or both. If the board of 850  
county commissioners objects, the board may negotiate a mutually 851  
acceptable compensation agreement with the board of township 852  
trustees. In no case shall the compensation provided to the 853  
board of county commissioners exceed the property taxes foregone 854  
due to the exemption. If the board of county commissioners 855  
objects, and the board of county commissioners and board of 856  
township trustees fail to negotiate a mutually acceptable 857  
compensation agreement, the resolution adopted under division 858  
(C) (1) of this section shall provide to the board of county 859  
commissioners compensation in the eleventh and subsequent years 860  
of the exemption period equal in value to not more than fifty 861  
per cent of the taxes that would be payable to the county or, if 862  
the board of county commissioner's objection includes an 863  
objection to an exemption percentage in excess of seventy-five 864  
per cent, compensation equal in value to not more than fifty per 865  
cent of the taxes that would be payable to the county, on the 866  
portion of the improvement in excess of seventy-five per cent, 867  
were that portion to be subject to taxation. The board of county 868  
commissioners shall certify its resolution to the board of 869  
township trustees not later than thirty days after receipt of 870  
the notice. 871

(3) If the board of county commissioners does not object 872

or fails to certify its resolution objecting to an exemption 873  
within thirty days after receipt of the notice, the board of 874  
township trustees may adopt its resolution, and no compensation 875  
shall be provided to the board of county commissioners. If the 876  
board of county commissioners timely certifies its resolution 877  
objecting to the trustees' resolution, the board of township 878  
trustees may adopt its resolution at any time after a mutually 879  
acceptable compensation agreement is agreed to by the board of 880  
county commissioners and the board of township trustees, or, if 881  
no compensation agreement is negotiated, at any time after the 882  
board of township trustees agrees in the proposed resolution to 883  
provide compensation to the board of county commissioners of 884  
fifty per cent of the taxes that would be payable to the county 885  
in the eleventh and subsequent years of the exemption period or 886  
on the portion of the improvement in excess of seventy-five per 887  
cent, were that portion to be subject to taxation. 888

(F) Service payments in lieu of taxes that are 889  
attributable to any amount by which the effective tax rate of 890  
either a renewal levy with an increase or a replacement levy 891  
exceeds the effective tax rate of the levy renewed or replaced, 892  
or that are attributable to an additional levy, for a levy 893  
authorized by the voters for any of the following purposes on or 894  
after January 1, 2006, and which are provided pursuant to a 895  
resolution creating an incentive district under division (C)(1) 896  
of this section that is adopted on or after January 1, 2006, 897  
shall be distributed to the appropriate taxing authority as 898  
required under division (C) of section 5709.74 of the Revised 899  
Code in an amount equal to the amount of taxes from that 900  
additional levy or from the increase in the effective tax rate 901  
of such renewal or replacement levy that would have been payable 902  
to that taxing authority from the following levies were it not 903

for the exemption authorized under division (C) of this section:	904
(1) A tax levied under division (L) of section 5705.19 or	905
section 5705.191 of the Revised Code for community mental	906
retardation and developmental disabilities programs and services	907
pursuant to Chapter 5126. of the Revised Code;	908
(2) A tax levied under division (Y) of section 5705.19 of	909
the Revised Code for providing or maintaining senior citizens	910
services or facilities;	911
(3) A tax levied under section 5705.22 of the Revised Code	912
for county hospitals;	913
(4) A tax levied by a joint-county district or by a county	914
under section 5705.19, 5705.191, or 5705.221 of the Revised Code	915
for alcohol, drug addiction, and mental health services or	916
families;	917
(5) A tax levied under section 5705.23 of the Revised Code	918
for library purposes;	919
(6) A tax levied under section 5705.24 of the Revised Code	920
for the support of children services and the placement and care	921
of children;	922
(7) A tax levied under division (Z) of section 5705.19 of	923
the Revised Code for the provision and maintenance of zoological	924
park services and facilities under section 307.76 of the Revised	925
Code;	926
(8) A tax levied under section 511.27 or division (H) of	927
section 5705.19 of the Revised Code for the support of township	928
park districts;	929
(9) A tax levied under division (A), (F), or (H) of	930
section 5705.19 of the Revised Code for parks and recreational	931

purposes of a joint recreation district organized pursuant to 932  
division (B) of section 755.14 of the Revised Code; 933

(10) A tax levied under section 1545.20 or 1545.21 of the 934  
Revised Code for park district purposes; 935

(11) A tax levied under section 5705.191 of the Revised 936  
Code for the purpose of making appropriations for public 937  
assistance; human or social services; public relief; public 938  
welfare; public health and hospitalization; and support of 939  
general hospitals; 940

(12) A tax levied under section 3709.29 of the Revised 941  
Code for a general health district program. 942

(G) An exemption from taxation granted under this section 943  
commences with the tax year specified in the resolution so long 944  
as the year specified in the resolution commences after the 945  
effective date of the resolution. If the resolution specifies a 946  
year commencing before the effective date of the resolution or 947  
specifies no year whatsoever, the exemption commences with the 948  
tax year in which an exempted improvement first appears on the 949  
tax list and duplicate of real and public utility property and 950  
that commences after the effective date of the resolution. In 951  
lieu of stating a specific year, the resolution may provide that 952  
the exemption commences in the tax year in which the value of an 953  
improvement exceeds a specified amount or in which the 954  
construction of one or more improvements is completed, provided 955  
that such tax year commences after the effective date of the 956  
resolution. With respect to the exemption of improvements to 957  
parcels under division (B) of this section, the resolution may 958  
allow for the exemption to commence in different tax years on a 959  
parcel-by-parcel basis, with a separate exemption term specified 960  
for each parcel. 961

Except as otherwise provided in this division, the 962  
exemption ends on the date specified in the resolution as the 963  
date the improvement ceases to be a public purpose or the 964  
incentive district expires, or ends on the date on which the 965  
public infrastructure improvements and housing renovations are 966  
paid in full from the township public improvement tax increment 967  
equivalent fund established under section 5709.75 of the Revised 968  
Code, whichever occurs first. The exemption of an improvement 969  
with respect to a parcel or within an incentive district may end 970  
on a later date, as specified in the resolution, if the board of 971  
township trustees and the board of education of the city, local, 972  
or exempted village school district within which the parcel or 973  
district is located have entered into a compensation agreement 974  
under section 5709.82 of the Revised Code with respect to the 975  
improvement and the board of education has approved the term of 976  
the exemption under division (D) of this section, but in no case 977  
shall the improvement be exempted from taxation for more than 978  
thirty years. The board of township trustees may, by majority 979  
vote, adopt a resolution permitting the township to enter into 980  
such agreements as the board finds necessary or appropriate to 981  
provide for the construction or undertaking of public 982  
infrastructure improvements and housing renovations. Any 983  
exemption shall be claimed and allowed in the same or a similar 984  
manner as in the case of other real property exemptions. If an 985  
exemption status changes during a tax year, the procedure for 986  
the apportionment of the taxes for that year is the same as in 987  
the case of other changes in tax exemption status during the 988  
year. 989

(H) The board of township trustees may issue the notes of 990  
the township to finance all costs pertaining to the construction 991  
or undertaking of public infrastructure improvements and housing 992

renovations made pursuant to this section. The notes shall be 993  
signed by the board and attested by the signature of the 994  
township fiscal officer, shall bear interest not to exceed the 995  
rate provided in section 9.95 of the Revised Code, and are not 996  
subject to Chapter 133. of the Revised Code. The resolution 997  
authorizing the issuance of the notes shall pledge the funds of 998  
the township public improvement tax increment equivalent fund 999  
established pursuant to section 5709.75 of the Revised Code to 1000  
pay the interest on and principal of the notes. The notes, which 1001  
may contain a clause permitting prepayment at the option of the 1002  
board, shall be offered for sale on the open market or given to 1003  
the vendor or contractor if no sale is made. 1004

(I) The township, not later than fifteen days after the 1005  
adoption of a resolution under this section, shall submit to the 1006  
director of development services a copy of the resolution. On or 1007  
before the thirty-first day of March of each year, the township 1008  
shall submit a status report to the director of development 1009  
services. The report shall indicate, in the manner prescribed by 1010  
the director, the progress of the project during each year that 1011  
the exemption remains in effect, including a summary of the 1012  
receipts from service payments in lieu of taxes; expenditures of 1013  
money from the fund created under section 5709.75 of the Revised 1014  
Code; a description of the public infrastructure improvements 1015  
and housing renovations financed with the expenditures; and a 1016  
quantitative summary of changes in private investment resulting 1017  
from each project. 1018

(J) Nothing in this section shall be construed to prohibit 1019  
a board of township trustees from declaring to be a public 1020  
purpose improvements with respect to more than one parcel. 1021

If a parcel is located in a new community district in 1022

which the new community authority imposes a community 1023  
development charge on the basis of rentals received from leases 1024  
of real property as described in division (L) (2) of section 1025  
349.01 of the Revised Code, the parcel may not be exempted from 1026  
taxation under this section. 1027

(K) A board of township trustees that adopted a resolution 1028  
under this section prior to July 21, 1994, may amend that 1029  
resolution to include any additional public infrastructure 1030  
improvement. A board of township trustees that seeks by the 1031  
amendment to utilize money from its township public improvement 1032  
tax increment equivalent fund for land acquisition in aid of 1033  
industry, commerce, distribution, or research, demolition on 1034  
private property, or stormwater and flood remediation projects 1035  
may do so provided that the board currently is a party to a 1036  
hold-harmless agreement with the board of education of the city, 1037  
local, or exempted village school district within the territory 1038  
of which are located the parcels that are subject to an 1039  
exemption. For the purposes of this division, a "hold-harmless 1040  
agreement" means an agreement under which the board of township 1041  
trustees agrees to compensate the school district for one 1042  
hundred per cent of the tax revenue that the school district 1043  
would have received from further improvements to parcels 1044  
designated in the resolution were it not for the exemption 1045  
granted by the resolution. 1046

(L) Notwithstanding the limitation prescribed by division 1047  
(D) of this section on the number of years that improvements to 1048  
a parcel or parcels may be exempted from taxation, a board of 1049  
trustees of a township with a population of fifteen thousand or 1050  
more may amend a resolution originally adopted under this 1051  
section before December 31, 1994, to extend the exemption of 1052  
improvements to the parcel or parcels included in such 1053

resolution for an additional period not to exceed fifteen years. 1054  
The amendment shall not increase the percentage of improvements 1055  
to the parcel or parcels exempted from taxation. The board of 1056  
township trustees shall comply with the notice requirements 1057  
imposed under section 5709.83 of the Revised Code before taking 1058  
formal action to adopt an amendment authorized under this 1059  
division unless the board of education has adopted a resolution 1060  
under that section waiving its right to receive the notice. The 1061  
board of township trustees shall deliver an identical notice to 1062  
the board of county commissioners of each county in which the 1063  
exempted parcels are located. 1064

**Sec. 5709.77.** As used in sections 5709.77 to 5709.81 of 1065  
the Revised Code: 1066

(A) "Business day" means a day of the week excluding 1067  
Saturday, Sunday, and a legal holiday as defined in section 1.14 1068  
of the Revised Code. 1069

(B) "Fund" means to provide for the payment of the debt 1070  
service on and the expenses relating to an outstanding 1071  
obligation of the county. 1072

(C) "Housing renovation" means a project carried out for 1073  
residential purposes. 1074

(D) "Improvement" means the increase in the assessed value 1075  
of real property that would first appear on the tax list and 1076  
duplicate of real and public utility property after the 1077  
effective date of a resolution adopted under section 5709.78 of 1078  
the Revised Code were it not for the exemption granted by that 1079  
resolution. For purposes of division (A) of section 5709.78 of 1080  
the Revised Code, "improvement" does not include any property 1081  
used or to be used for residential purposes. For this purpose, 1082

"property that is used or to be used for residential purposes" 1083  
means property that, as improved, is used or to be used for 1084  
purposes that would cause the tax commissioner to classify the 1085  
property as residential property in accordance with rules 1086  
adopted by the commissioner under section 5713.041 of the 1087  
Revised Code. 1088

(E) "Incentive district" has the same meaning as in 1089  
section 5709.40 of the Revised Code, except that a blighted area 1090  
is in the unincorporated territory of a county. 1091

(F) "Refund" means to fund and retire an outstanding 1092  
obligation of the county. 1093

(G) "Overlay" has the same meaning as in section 5709.40 1094  
of the Revised Code, except that the overlay is delineated by 1095  
the board of county commissioners. 1096

(H) "Project" and "public infrastructure improvement" have 1097  
the same meanings as in section 5709.40 of the Revised Code. 1098

**Sec. 5709.78.** (A) A board of county commissioners may, by 1099  
resolution, declare improvements to certain parcels of real 1100  
property located in the unincorporated territory of the county 1101  
to be a public purpose. Except with the approval under division 1102  
(C) of this section of the board of education of each city, 1103  
local, or exempted village school district within which the 1104  
improvements are located, not more than seventy-five per cent of 1105  
an improvement thus declared to be a public purpose may be 1106  
exempted from real property taxation, for a period of not more 1107  
than ten years. The resolution shall specify the percentage of 1108  
the improvement to be exempted and the life of the exemption. 1109

A resolution adopted under this division shall designate 1110  
the specific public infrastructure improvements made, to be 1111

made, or in the process of being made by the county that 1112  
directly benefit, or that once made will directly benefit, the 1113  
parcels for which improvements are declared to be a public 1114  
purpose. The service payments provided for in section 5709.79 of 1115  
the Revised Code shall be used to finance the public 1116  
infrastructure improvements designated in the resolution, or as 1117  
provided in section 5709.80 of the Revised Code. 1118

(B) (1) A board of county commissioners may adopt a 1119  
resolution creating an incentive district and declaring 1120  
improvements to parcels within the district to be a public 1121  
purpose and, except as provided in division ~~(E)~~ (B) (2) of this 1122  
section, exempt from taxation as provided in this section, but 1123  
no board of county commissioners of a county that has a 1124  
population that exceeds twenty-five thousand, as shown by the 1125  
most recent federal decennial census, shall adopt a resolution 1126  
that creates an incentive district if the sum of the taxable 1127  
value of real property in the proposed district for the 1128  
preceding tax year and the taxable value of all real property in 1129  
the county that would have been taxable in the preceding year 1130  
were it not for the fact that the property was in an existing 1131  
incentive district and therefore exempt from taxation exceeds 1132  
twenty-five per cent of the taxable value of real property in 1133  
the county for the preceding tax year. The district shall be 1134  
located within the unincorporated territory of the county and 1135  
shall not include any territory that is included within a 1136  
district created under division (C) of section 5709.73 of the 1137  
Revised Code. The resolution shall delineate the boundary of the 1138  
proposed district and specifically identify each parcel within 1139  
the district. A proposed district may not include any parcel 1140  
that is or has been exempted from taxation under division (A) of 1141  
this section or that is or has been within another district 1142

created under this division. A resolution may create more than 1143  
one such district, and more than one resolution may be adopted 1144  
under division (B) (1) of this section. 1145

(2) (a) Not later than thirty days prior to adopting a 1146  
resolution under division (B) (1) of this section, if the county 1147  
intends to apply for exemptions from taxation under section 1148  
5709.911 of the Revised Code on behalf of owners of real 1149  
property located within the proposed incentive district, the 1150  
board of county commissioners shall conduct a public hearing on 1151  
the proposed resolution. Not later than thirty days prior to the 1152  
public hearing, the board shall give notice of the public 1153  
hearing and the proposed resolution by first class mail to every 1154  
real property owner whose property is located within the 1155  
boundaries of the proposed incentive district that is the 1156  
subject of the proposed resolution. The board also shall provide 1157  
the notice by first class mail to the clerk of each township in 1158  
which the proposed incentive district will be located. The 1159  
notice shall include a map of the proposed incentive district on 1160  
which the board of county commissioners shall have delineated an 1161  
overlay. The notice shall inform property owners of the owner's 1162  
right to exclude the owner's property from the incentive 1163  
district if the owner's entire parcel of property will not be 1164  
located within the overlay, by submitting a written response in 1165  
accordance with division (B) (2) (b) of this section. The notice 1166  
also shall include information detailing the required contents 1167  
of the response, the address to which the response may be 1168  
mailed, and the deadline for submitting the response. 1169

(b) Any owner of real property located within the 1170  
boundaries of an incentive district proposed under division (B) 1171  
(1) of this section whose entire parcel of property is not 1172  
located within the overlay may exclude the property from the 1173

proposed incentive district by submitting a written response to 1174  
the board not later than forty-five days after the postmark date 1175  
on the notice required under division (B) (2) (a) of this section. 1176  
The response shall be sent by first class mail or delivered in 1177  
person at a public hearing held by the board under division (B) 1178  
(2) (a) of this section. The response shall conform to any 1179  
content requirements that may be established by the board and 1180  
included in the notice provided under division (B) (2) (a) of this 1181  
section. In the response, property owners may identify a parcel 1182  
by street address, by the manner in which it is identified in 1183  
the resolution, or by other means allowing the identity of the 1184  
parcel to be ascertained. 1185

(c) Before adopting a resolution under division (B) (1) of 1186  
this section, the board shall amend the resolution to exclude 1187  
any parcel located wholly or partly outside the overlay for 1188  
which a written response has been submitted under division (B) 1189  
(2) (b) of this section. A county shall not apply for exemptions 1190  
from taxation under section 5709.911 of the Revised Code for any 1191  
such parcel, and service payments may not be required from the 1192  
owner of the parcel. Improvements to a parcel excluded from an 1193  
incentive district under this division may be exempted from 1194  
taxation under division (A) of this section pursuant to a 1195  
resolution adopted under that division or under any other 1196  
section of the Revised Code under which the parcel qualifies. 1197

(3) (a) A resolution adopted under division (B) (1) of this 1198  
section shall specify the life of the incentive district and the 1199  
percentage of the improvements to be exempted, shall designate 1200  
the public infrastructure improvements made, to be made, or in 1201  
the process of being made, that benefit or serve, or, once made, 1202  
will benefit or serve parcels in the district. The resolution 1203  
also shall identify one or more specific projects being, or to 1204

be, undertaken in the district that place additional demand on 1205  
the public infrastructure improvements designated in the 1206  
resolution. The project identified may, but need not be, the 1207  
project under division (B) (3) (b) of this section that places 1208  
real property in use for commercial or industrial purposes. 1209

A resolution adopted under division (B) (1) of this section 1210  
on or after March 30, 2006, shall not designate police or fire 1211  
equipment as public infrastructure improvements, and no service 1212  
payment provided for in section 5709.79 of the Revised Code and 1213  
received by the county under the resolution shall be used for 1214  
police or fire equipment. 1215

(b) A resolution adopted under division (B) (1) of this 1216  
section may authorize the use of service payments provided for 1217  
in section 5709.79 of the Revised Code for the purpose of 1218  
housing renovations within the incentive district, provided that 1219  
the resolution also designates public infrastructure 1220  
improvements that benefit or serve the district, and that a 1221  
project within the district places real property in use for 1222  
commercial or industrial purposes. Service payments may be used 1223  
to finance or support loans, deferred loans, and grants to 1224  
persons for the purpose of housing renovations within the 1225  
district. The resolution shall designate the parcels within the 1226  
district that are eligible for housing renovations. The 1227  
resolution shall state separately the amount or the percentages 1228  
of the expected aggregate service payments that are designated 1229  
for each public infrastructure improvement and for the purpose 1230  
of housing renovations. 1231

(4) Except with the approval of the board of education of 1232  
each city, local, or exempted village school district within the 1233  
territory of which the incentive district is or will be located, 1234

and subject to division (D) of this section, the life of an 1235  
incentive district shall not exceed ten years, and the 1236  
percentage of improvements to be exempted shall not exceed 1237  
seventy-five per cent. With approval of the board of education, 1238  
the life of a district may be not more than thirty years, and 1239  
the percentage of improvements to be exempted may be not more 1240  
than one hundred per cent. The approval of a board of education 1241  
shall be obtained in the manner provided in division (C) of this 1242  
section. 1243

(C) (1) Improvements with respect to a parcel may be 1244  
exempted from taxation under division (A) of this section, and 1245  
improvements to parcels within an incentive district may be 1246  
exempted from taxation under division (B) of this section, for 1247  
up to ten years or, with the approval of the board of education 1248  
of each city, local, or exempted village school district within 1249  
which the parcel or district is located, for up to thirty years. 1250  
The percentage of the improvements exempted from taxation may, 1251  
with such approval, exceed seventy-five per cent, but shall not 1252  
exceed one hundred per cent. Not later than forty-five business 1253  
days prior to adopting a resolution under this section declaring 1254  
improvements to be a public purpose that is subject to the 1255  
approval of a board of education under this division, the board 1256  
of county commissioners shall deliver to the board of education 1257  
a notice stating its intent to adopt a resolution making that 1258  
declaration. The notice regarding improvements with respect to a 1259  
parcel under division (A) of this section shall identify the 1260  
parcels for which improvements are to be exempted from taxation, 1261  
provide an estimate of the true value in money of the 1262  
improvements, specify the period for which the improvements 1263  
would be exempted from taxation and the percentage of the 1264  
improvements that would be exempted, and indicate the date on 1265

which the board of county commissioners intends to adopt the 1266  
resolution. The notice regarding improvements to parcels within 1267  
an incentive district under division (B) of this section shall 1268  
delineate the boundaries of the district, specifically identify 1269  
each parcel within the district, identify each anticipated 1270  
improvement in the district, provide an estimate of the true 1271  
value in money of each such improvement, specify the life of the 1272  
district and the percentage of improvements that would be 1273  
exempted, and indicate the date on which the board of county 1274  
commissioners intends to adopt the resolution. The board of 1275  
education, by resolution adopted by a majority of the board, may 1276  
approve the exemption for the period or for the exemption 1277  
percentage specified in the notice; may disapprove the exemption 1278  
for the number of years in excess of ten, may disapprove the 1279  
exemption for the percentage of the improvements to be exempted 1280  
in excess of seventy-five per cent, or both; or may approve the 1281  
exemption on the condition that the board of county 1282  
commissioners and the board of education negotiate an agreement 1283  
providing for compensation to the school district equal in value 1284  
to a percentage of the amount of taxes exempted in the eleventh 1285  
and subsequent years of the exemption period or, in the case of 1286  
exemption percentages in excess of seventy-five per cent, 1287  
compensation equal in value to a percentage of the taxes that 1288  
would be payable on the portion of the improvements in excess of 1289  
seventy-five per cent were that portion to be subject to 1290  
taxation, or other mutually agreeable compensation. 1291

(2) The board of education shall certify its resolution to 1292  
the board of county commissioners not later than fourteen days 1293  
prior to the date the board of county commissioners intends to 1294  
adopt its resolution as indicated in the notice. If the board of 1295  
education and the board of county commissioners negotiate a 1296

mutually acceptable compensation agreement, the resolution of 1297  
the board of county commissioners may declare the improvements a 1298  
public purpose for the number of years specified in that 1299  
resolution or, in the case of exemption percentages in excess of 1300  
seventy-five per cent, for the exemption percentage specified in 1301  
the resolution. In either case, if the board of education and 1302  
the board of county commissioners fail to negotiate a mutually 1303  
acceptable compensation agreement, the resolution may declare 1304  
the improvements a public purpose for not more than ten years, 1305  
and shall not exempt more than seventy-five per cent of the 1306  
improvements from taxation. If the board of education fails to 1307  
certify a resolution to the board of county commissioners within 1308  
the time prescribed by this section, the board of county 1309  
commissioners thereupon may adopt the resolution and may declare 1310  
the improvements a public purpose for up to thirty years or, in 1311  
the case of exemption percentages proposed in excess of seventy- 1312  
five per cent, for the exemption percentage specified in the 1313  
resolution. The board of county commissioners may adopt the 1314  
resolution at any time after the board of education certifies 1315  
its resolution approving the exemption to the board of county 1316  
commissioners, or, if the board of education approves the 1317  
exemption on the condition that a mutually acceptable 1318  
compensation agreement be negotiated, at any time after the 1319  
compensation agreement is agreed to by the board of education 1320  
and the board of county commissioners. If a mutually acceptable 1321  
compensation agreement is negotiated between the board of county 1322  
commissioners and the board of education, including agreements 1323  
for payments in lieu of taxes under section 5709.79 of the 1324  
Revised Code, the board of county commissioners shall compensate 1325  
the joint vocational school district within which the parcel or 1326  
district is located at the same rate and under the same terms 1327  
received by the city, local, or exempted village school 1328

district. 1329

(3) If a board of education has adopted a resolution 1330  
waiving its right to approve exemptions from taxation under this 1331  
section and the resolution remains in effect, approval of such 1332  
exemptions by the board of education is not required under 1333  
division (C) of this section. If a board of education has 1334  
adopted a resolution allowing a board of county commissioners to 1335  
deliver the notice required under division (C) of this section 1336  
fewer than forty-five business days prior to approval of the 1337  
resolution by the board of county commissioners, the board of 1338  
county commissioners shall deliver the notice to the board of 1339  
education not later than the number of days prior to such 1340  
approval as prescribed by the board of education in its 1341  
resolution. If a board of education adopts a resolution waiving 1342  
its right to approve exemptions or shortening the notification 1343  
period, the board of education shall certify a copy of the 1344  
resolution to the board of county commissioners. If the board of 1345  
education rescinds such a resolution, it shall certify notice of 1346  
the rescission to the board of county commissioners. 1347

(D) (1) If a proposed resolution under division (B) (1) of 1348  
this section exempts improvements with respect to a parcel 1349  
within an incentive district for more than ten years, or the 1350  
percentage of the improvement exempted from taxation exceeds 1351  
seventy-five per cent, not later than forty-five business days 1352  
prior to adopting the resolution the board of county 1353  
commissioners shall deliver to the board of township trustees of 1354  
any township within which the incentive district is or will be 1355  
located a notice that states its intent to adopt a resolution 1356  
creating an incentive district. The notice shall include a copy 1357  
of the proposed resolution, identify the parcels for which 1358  
improvements are to be exempted from taxation, provide an 1359

estimate of the true value in money of the improvements, specify 1360  
the period of time for which the improvements would be exempted 1361  
from taxation, specify the percentage of the improvements that 1362  
would be exempted from taxation, and indicate the date on which 1363  
the board intends to adopt the resolution. 1364

(2) The board of township trustees, by resolution adopted 1365  
by a majority of the board, may object to the exemption for the 1366  
number of years in excess of ten, may object to the exemption 1367  
for the percentage of the improvement to be exempted in excess 1368  
of seventy-five per cent, or both. If the board of township 1369  
trustees objects, the board of township trustees may negotiate a 1370  
mutually acceptable compensation agreement with the board of 1371  
county commissioners. In no case shall the compensation provided 1372  
to the board of township trustees exceed the property taxes 1373  
forgone due to the exemption. If the board of township trustees 1374  
objects, and the board of township trustees and the board of 1375  
county commissioners fail to negotiate a mutually acceptable 1376  
compensation agreement, the resolution adopted under division 1377  
(B)(1) of this section shall provide to the board of township 1378  
trustees compensation in the eleventh and subsequent years of 1379  
the exemption period equal in value to not more than fifty per 1380  
cent of the taxes that would be payable to the township or, if 1381  
the board of township trustee's objection includes an objection 1382  
to an exemption percentage in excess of seventy-five per cent, 1383  
compensation equal in value to not more than fifty per cent of 1384  
the taxes that would be payable to the township on the portion 1385  
of the improvement in excess of seventy-five per cent, were that 1386  
portion to be subject to taxation. The board of township 1387  
trustees shall certify its resolution to the board of county 1388  
commissioners not later than thirty days after receipt of the 1389  
notice. 1390

(3) If the board of township trustees does not object or 1391  
fails to certify a resolution objecting to an exemption within 1392  
thirty days after receipt of the notice, the board of county 1393  
commissioners may adopt its resolution, and no compensation 1394  
shall be provided to the board of township trustees. If the 1395  
board of township trustees certifies its resolution objecting to 1396  
the commissioners' resolution, the board of county commissioners 1397  
may adopt its resolution at any time after a mutually acceptable 1398  
compensation agreement is agreed to by the board of county 1399  
commissioners and the board of township trustees. If the board 1400  
of township trustees certifies a resolution objecting to the 1401  
commissioners' resolution, the board of county commissioners may 1402  
adopt its resolution at any time after a mutually acceptable 1403  
compensation agreement is agreed to by the board of county 1404  
commissioners and the board of township trustees, or, if no 1405  
compensation agreement is negotiated, at any time after the 1406  
board of county commissioners in the proposed resolution to 1407  
provide compensation to the board of township trustees of fifty 1408  
per cent of the taxes that would be payable to the township in 1409  
the eleventh and subsequent years of the exemption period or on 1410  
the portion of the improvement in excess of seventy-five per 1411  
cent, were that portion to be subject to taxation. 1412

(E) Service payments in lieu of taxes that are 1413  
attributable to any amount by which the effective tax rate of 1414  
either a renewal levy with an increase or a replacement levy 1415  
exceeds the effective tax rate of the levy renewed or replaced, 1416  
or that are attributable to an additional levy, for a levy 1417  
authorized by the voters for any of the following purposes on or 1418  
after January 1, 2006, and which are provided pursuant to a 1419  
resolution creating an incentive district under division (B)(1) 1420  
of this section that is adopted on or after January 1, 2006, 1421

shall be distributed to the appropriate taxing authority as 1422  
required under division (D) of section 5709.79 of the Revised 1423  
Code in an amount equal to the amount of taxes from that 1424  
additional levy or from the increase in the effective tax rate 1425  
of such renewal or replacement levy that would have been payable 1426  
to that taxing authority from the following levies were it not 1427  
for the exemption authorized under division (B) of this section: 1428

(1) A tax levied under division (L) of section 5705.19 or 1429  
section 5705.191 of the Revised Code for community mental 1430  
retardation and developmental disabilities programs and services 1431  
pursuant to Chapter 5126. of the Revised Code; 1432

(2) A tax levied under division (Y) of section 5705.19 of 1433  
the Revised Code for providing or maintaining senior citizens 1434  
services or facilities; 1435

(3) A tax levied under section 5705.22 of the Revised Code 1436  
for county hospitals; 1437

(4) A tax levied by a joint-county district or by a county 1438  
under section 5705.19, 5705.191, or 5705.221 of the Revised Code 1439  
for alcohol, drug addiction, and mental health services or 1440  
facilities; 1441

(5) A tax levied under section 5705.23 of the Revised Code 1442  
for library purposes; 1443

(6) A tax levied under section 5705.24 of the Revised Code 1444  
for the support of children services and the placement and care 1445  
of children; 1446

(7) A tax levied under division (Z) of section 5705.19 of 1447  
the Revised Code for the provision and maintenance of zoological 1448  
park services and facilities under section 307.76 of the Revised 1449  
Code; 1450

(8) A tax levied under section 511.27 or division (H) of 1451  
section 5705.19 of the Revised Code for the support of township 1452  
park districts; 1453

(9) A tax levied under division (A), (F), or (H) of 1454  
section 5705.19 of the Revised Code for parks and recreational 1455  
purposes of a joint recreation district organized pursuant to 1456  
division (B) of section 755.14 of the Revised Code; 1457

(10) A tax levied under section 1545.20 or 1545.21 of the 1458  
Revised Code for park district purposes; 1459

(11) A tax levied under section 5705.191 of the Revised 1460  
Code for the purpose of making appropriations for public 1461  
assistance; human or social services; public relief; public 1462  
welfare; public health and hospitalization; and support of 1463  
general hospitals; 1464

(12) A tax levied under section 3709.29 of the Revised 1465  
Code for a general health district program. 1466

(F) An exemption from taxation granted under this section 1467  
commences with the tax year specified in the resolution so long 1468  
as the year specified in the resolution commences after the 1469  
effective date of the resolution. If the resolution specifies a 1470  
year commencing before the effective date of the resolution or 1471  
specifies no year whatsoever, the exemption commences with the 1472  
tax year in which an exempted improvement first appears on the 1473  
tax list and duplicate of real and public utility property and 1474  
that commences after the effective date of the resolution. In 1475  
lieu of stating a specific year, the resolution may provide that 1476  
the exemption commences in the tax year in which the value of an 1477  
improvement exceeds a specified amount or in which the 1478  
construction of one or more improvements is completed, provided 1479

that such tax year commences after the effective date of the 1480  
resolution. With respect to the exemption of improvements to 1481  
parcels under division (A) of this section, the resolution may 1482  
allow for the exemption to commence in different tax years on a 1483  
parcel-by-parcel basis, with a separate exemption term specified 1484  
for each parcel. 1485

Except as otherwise provided in this division, the 1486  
exemption ends on the date specified in the resolution as the 1487  
date the improvement ceases to be a public purpose or the 1488  
incentive district expires, or ends on the date on which the 1489  
county can no longer require annual service payments in lieu of 1490  
taxes under section 5709.79 of the Revised Code, whichever 1491  
occurs first. The exemption of an improvement with respect to a 1492  
parcel or within an incentive district may end on a later date, 1493  
as specified in the resolution, if the board of commissioners 1494  
and the board of education of the city, local, or exempted 1495  
village school district within which the parcel or district is 1496  
located have entered into a compensation agreement under section 1497  
5709.82 of the Revised Code with respect to the improvement, and 1498  
the board of education has approved the term of the exemption 1499  
under division (C)(1) of this section, but in no case shall the 1500  
improvement be exempted from taxation for more than thirty 1501  
years. Exemptions shall be claimed and allowed in the same or a 1502  
similar manner as in the case of other real property exemptions. 1503  
If an exemption status changes during a tax year, the procedure 1504  
for the apportionment of the taxes for that year is the same as 1505  
in the case of other changes in tax exemption status during the 1506  
year. 1507

(G) If the board of county commissioners is not required 1508  
by this section to notify the board of education of the board of 1509  
county commissioners' intent to declare improvements to be a 1510

public purpose, the board of county commissioners shall comply 1511  
with the notice requirements imposed under section 5709.83 of 1512  
the Revised Code before taking formal action to adopt the 1513  
resolution making that declaration, unless the board of 1514  
education has adopted a resolution under that section waiving 1515  
its right to receive such a notice. 1516

(H) The county, not later than fifteen days after the 1517  
adoption of a resolution under this section, shall submit to the 1518  
director of development services a copy of the resolution. On or 1519  
before the thirty-first day of March of each year, the county 1520  
shall submit a status report to the director of development 1521  
services. The report shall indicate, in the manner prescribed by 1522  
the director, the progress of the project during each year that 1523  
an exemption remains in effect, including a summary of the 1524  
receipts from service payments in lieu of taxes; expenditures of 1525  
money from the fund created under section 5709.80 of the Revised 1526  
Code; a description of the public infrastructure improvements 1527  
and housing renovations financed with such expenditures; and a 1528  
quantitative summary of changes in employment and private 1529  
investment resulting from each project. 1530

(I) Nothing in this section shall be construed to prohibit 1531  
a board of county commissioners from declaring to be a public 1532  
purpose improvements with respect to more than one parcel. 1533

(J) If a parcel is located in a new community district in 1534  
which the new community authority imposes a community 1535  
development charge on the basis of rentals received from leases 1536  
of real property as described in division (L) (2) of section 1537  
349.01 of the Revised Code, the parcel may not be exempted from 1538  
taxation under this section. 1539

**Sec. 5709.911.** (A) (1) A municipal corporation, township, 1540

or county that has enacted an ordinance or resolution under 1541  
section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 1542  
Revised Code or that has entered into an agreement referred to 1543  
in section 725.02 or 1728.07 of the Revised Code may file an 1544  
application for exemption under those sections in the same 1545  
manner as other real property tax exemptions, notwithstanding 1546  
the indication in division (A) of section 5715.27 of the Revised 1547  
Code that the owner of the property may file the application. An 1548  
application for exemption may not be filed by a municipal 1549  
corporation, township, or county for an exemption of a parcel 1550  
under section 5709.40, 5709.73, or 5709.78 of the Revised Code 1551  
if the property owner excludes the property from such exemption 1552  
as provided in that section. 1553

(2) Except as provided in division (B) of this section, if 1554  
the application for exemption under section 725.02, 1728.10, 1555  
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 1556  
Code is filed by a municipal corporation, township, or county 1557  
and more than one real property tax exemption applies by law to 1558  
the property or a portion of the property, both of the following 1559  
apply: 1560

(a) An exemption granted under section 725.02, 1728.10, 1561  
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 1562  
Code shall be subordinate to an exemption with respect to the 1563  
property or portion of the property granted under any other 1564  
provision of the Revised Code. 1565

(b) Neither service payments in lieu of taxes under 1566  
section 725.04, 5709.42, 5709.46, 5709.74, or 5709.79 of the 1567  
Revised Code, nor service charges in lieu of taxes under section 1568  
1728.11 or 1728.111 of the Revised Code, shall be required with 1569  
respect to the property or portion of the property that is 1570

exempt from real property taxes under that other provision of 1571  
the Revised Code during the effective period of the exemption. 1572

(B) (1) If the application for exemption under section 1573  
725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 1574  
of the Revised Code is filed by the owner of the property or by 1575  
a municipal corporation, township, or county with the owner's 1576  
written consent attached to the application, and if more than 1577  
one real property tax exemption applies by law to the property 1578  
or a portion of the property, no other exemption shall be 1579  
granted for the portion of the property already exempt under 1580  
section 725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 1581  
5709.78 of the Revised Code unless the municipal corporation, 1582  
township, or county that enacted the authorizing ordinance or 1583  
resolution for the earlier exemption provides its duly 1584  
authorized written consent to the subsequent exemption by means 1585  
of a duly enacted ordinance or resolution. 1586

(2) If the application for exemption under section 725.02, 1587  
1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 1588  
Revised Code is filed by a municipal corporation, township, or 1589  
county and approved by the tax commissioner, if the owner of the 1590  
property subsequently provides written consent to the exemption 1591  
and the consent is filed with the tax commissioner, and if more 1592  
than one real property tax exemption applies by law to the 1593  
property or a portion of the property, no other exemption shall 1594  
be granted for the portion of the property already exempt under 1595  
section 725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 1596  
5709.78 of the Revised Code unless the municipal corporation, 1597  
township, or county that enacted the authorizing ordinance or 1598  
resolution for the earlier exemption provides its duly 1599  
authorized written consent to the subsequent exemption by means 1600  
of a duly enacted ordinance or resolution. 1601

(C) (1) After the tax commissioner has approved or 1602  
partially approved an application for exemption filed by or with 1603  
the consent of a property owner under the circumstances 1604  
described in division (B) (1) of this section, the municipal 1605  
corporation, township, county, or property owner shall file a 1606  
notice with the county recorder for the county in which the 1607  
property is located that clearly identifies the property and the 1608  
owner of the property and states that the property, regardless 1609  
of future use or ownership, remains liable for any service 1610  
payments or service charges required by the exemption until the 1611  
terms of the exemption have been satisfied, unless the municipal 1612  
corporation, township, or county consents to the subsequent 1613  
exemption and relinquishes its right to collect the service 1614  
payments or service charges as provided in division (B) (1) of 1615  
this section. The county recorder's office shall charge a fee of 1616  
fourteen dollars to record the notice, the proceeds of which 1617  
shall be retained by the county. 1618

(2) If a property owner subsequently provides written 1619  
consent to an exemption under the circumstances described in 1620  
division (B) (2) of this section, the municipal corporation, 1621  
township, county, or property owner shall file notice with the 1622  
county recorder for the county in which the property is located 1623  
that clearly identifies the property and the owner of the 1624  
property and states that the property, regardless of future use 1625  
or ownership, remains liable for any service payments or service 1626  
charges required by the exemption until the terms of the 1627  
exemption have been satisfied, unless the municipal corporation, 1628  
township, or county consents to the subsequent exemption and 1629  
relinquishes its right to collect the service payments or 1630  
service charges as provided in division (B) (2) of this section. 1631  
The county recorder's office shall charge a fee of fourteen 1632

dollars to record the notice, the proceeds of which shall be 1633  
retained by the county. 1634

(D) Upon filing of the notice with the county recorder, 1635  
the provisions of division (B) of this section are binding on 1636  
all future owners of the property or portion of the property, 1637  
regardless of how the property is used. Failure to file the 1638  
notice with the county recorder relieves future owners of the 1639  
property from the obligation to make service payments in lieu of 1640  
taxes under section 725.04, 5709.42, 5709.46, 5709.74, or 1641  
5709.79 of the Revised Code or service charges in lieu of taxes 1642  
under section 1728.11 or 1728.111 of the Revised Code, if the 1643  
property or a portion of the property later qualifies for 1644  
exemption under any other provision of the Revised Code. Failure 1645  
to file the notice does not, however, relieve the owner of the 1646  
property, at the time the application for exemption is filed, 1647  
from making those payments or charges. 1648

**Section 2.** That existing sections 5709.40, 5709.73, 1649  
5709.77, 5709.78, and 5709.911 of the Revised Code are hereby 1650  
repealed. 1651