

As Introduced

131st General Assembly

Regular Session

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H. B. No. 233

Representative Schuring

**Cosponsors: Representatives Ashford, Baker, Blessing, Boyd, Fedor, Hackett,
Hambley, Kraus, Lepore-Hagan, Patmon, Reineke, Scherer, Sears, Sheehy**

A BILL

To amend sections 133.04, 133.06, 709.024, 709.19, 1
3317.021, 5501.311, 5709.12, 5709.82, 5709.83, 2
5709.831, 5709.832, 5709.85, 5709.91, 5709.911, 3
5709.913, and 5715.27 and to enact sections 4
1710.14, 1724.12, 5709.45, 5709.46, and 5709.47 5
of the Revised Code to authorize municipal 6
corporations to create downtown redevelopment 7
districts and innovation districts for the 8
purposes of promoting the rehabilitation of 9
historic buildings, creating jobs, encouraging 10
economic development in commercial and mixed-use 11
areas, and supporting grants and loans to 12
technology-oriented and other businesses. 13

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

Section 1. That sections 133.04, 133.06, 709.024, 709.19, 14
3317.021, 5501.311, 5709.12, 5709.82, 5709.83, 5709.831, 15
5709.832, 5709.85, 5709.91, 5709.911, 5709.913, and 5715.27 be 16
amended and sections 1710.14, 1724.12, 5709.45, 5709.46, and 17
5709.47 of the Revised Code be enacted to read as follows: 18

Sec. 133.04. (A) As used in this chapter, "net indebtedness" means, as determined pursuant to this section, the principal amount of the outstanding securities of a subdivision less the amount held in a bond retirement fund to the extent such amount is not taken into account in determining the principal amount outstanding under division (AA) of section 133.01 of the Revised Code. For purposes of this definition, the principal amount of outstanding securities includes the principal amount of outstanding securities of another subdivision apportioned to the subdivision as a result of acquisition of territory, and excludes the principal amount of outstanding securities of the subdivision apportioned to another subdivision as a result of loss of territory and the payment or reimbursement obligations of the subdivision under credit enhancement facilities relating to outstanding securities.

(B) In calculating the net indebtedness of a subdivision, none of the following securities, including anticipatory securities issued in anticipation of their issuance, shall be considered:

(1) Securities issued in anticipation of the levy or collection of special assessments, either in original or refunded form;

(2) Securities issued in anticipation of the collection of current revenues for the fiscal year or other period not to exceed twelve consecutive months, or securities issued in anticipation of the collection of the proceeds from a specifically identified voter-approved tax levy;

(3) Securities issued for purposes described in section 133.12 of the Revised Code;

(4) Securities issued under Chapter 122., 140., 165., 725., or 761. or section 131.23 of the Revised Code;	48 49
(5) Securities issued to pay final judgments or court- approved settlements under authorizing laws and securities issued under section 2744.081 of the Revised Code;	50 51 52
(6) Securities issued to pay costs of permanent improvements to the extent they are issued in anticipation of the receipt of, and are payable as to principal from, federal or state grants or distributions for, or legally available for, that principal or for the costs of those permanent improvements;	53 54 55 56 57
(7) Securities issued to evidence loans from the state capital improvements fund pursuant to Chapter 164. of the Revised Code or from the state infrastructure bank pursuant to section 5531.09 of the Revised Code;	58 59 60 61
(8) That percentage of the principal amount of general obligation securities issued by a county, township, or municipal corporation to pay the costs of permanent improvements equal to the percentage of the debt charges on those securities payable during the current fiscal year that the fiscal officer estimates can be paid during the current fiscal year from payments in lieu of taxes under section 1728.11, 1728.111, 5709.42, <u>5709.46,</u> 5709.74, or 5709.79 of the Revised Code, and that the legislation authorizing the issuance of the securities pledges or covenants will be used for the payment of those debt charges; provided that the amount excluded from consideration under division (B) (8) of this section shall not exceed the lesser of thirty million dollars or one-half per cent of the subdivision's tax valuation in the case of a county or township, or one and one-tenth per cent of the subdivision's tax valuation in the case of a municipal corporation;	62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77

(9) Securities issued in an amount equal to the property 78
tax replacement payments received under section 5727.85 or 79
5727.86 of the Revised Code; 80

(10) Securities issued in an amount equal to the property 81
tax replacement payments received under section 5751.21 or 82
5751.22 of the Revised Code; 83

(11) Other securities, including self-supporting 84
securities, excepted by law from the calculation of net 85
indebtedness or from the application of this chapter; 86

(12) Any other securities outstanding on October 30, 1989, 87
and then excepted from the calculation of net indebtedness or 88
from the application of this chapter, and securities issued at 89
any time to fund or refund those securities. 90

Sec. 133.06. (A) A school district shall not incur, 91
without a vote of the electors, net indebtedness that exceeds an 92
amount equal to one-tenth of one per cent of its tax valuation, 93
except as provided in divisions (G) and (H) of this section and 94
in division (D) of section 3313.372 of the Revised Code, or as 95
prescribed in section 3318.052 or 3318.44 of the Revised Code, 96
or as provided in division (J) of this section. 97

(B) Except as provided in divisions (E), (F), and (I) of 98
this section, a school district shall not incur net indebtedness 99
that exceeds an amount equal to nine per cent of its tax 100
valuation. 101

(C) A school district shall not submit to a vote of the 102
electors the question of the issuance of securities in an amount 103
that will make the district's net indebtedness after the 104
issuance of the securities exceed an amount equal to four per 105
cent of its tax valuation, unless the superintendent of public 106

instruction, acting under policies adopted by the state board of 107
education, and the tax commissioner, acting under written 108
policies of the commissioner, consent to the submission. A 109
request for the consents shall be made at least one hundred 110
twenty days prior to the election at which the question is to be 111
submitted. 112

The superintendent of public instruction shall certify to 113
the district the superintendent's and the tax commissioner's 114
decisions within thirty days after receipt of the request for 115
consents. 116

If the electors do not approve the issuance of securities 117
at the election for which the superintendent of public 118
instruction and tax commissioner consented to the submission of 119
the question, the school district may submit the same question 120
to the electors on the date that the next special election may 121
be held under section 3501.01 of the Revised Code without 122
submitting a new request for consent. If the school district 123
seeks to submit the same question at any other subsequent 124
election, the district shall first submit a new request for 125
consent in accordance with this division. 126

(D) In calculating the net indebtedness of a school 127
district, none of the following shall be considered: 128

(1) Securities issued to acquire school buses and other 129
equipment used in transporting pupils or issued pursuant to 130
division (D) of section 133.10 of the Revised Code; 131

(2) Securities issued under division (F) of this section, 132
under section 133.301 of the Revised Code, and, to the extent in 133
excess of the limitation stated in division (B) of this section, 134
under division (E) of this section; 135

(3) Indebtedness resulting from the dissolution of a joint vocational school district under section 3311.217 of the Revised Code, evidenced by outstanding securities of that joint vocational school district;

(4) Loans, evidenced by any securities, received under sections 3313.483, 3317.0210, and 3317.0211 of the Revised Code;

(5) Debt incurred under section 3313.374 of the Revised Code;

(6) Debt incurred pursuant to division (B) (5) of section 3313.37 of the Revised Code to acquire computers and related hardware;

(7) Debt incurred under section 3318.042 of the Revised Code.

(E) A school district may become a special needs district as to certain securities as provided in division (E) of this section.

(1) A board of education, by resolution, may declare its school district to be a special needs district by determining both of the following:

(a) The student population is not being adequately serviced by the existing permanent improvements of the district.

(b) The district cannot obtain sufficient funds by the issuance of securities within the limitation of division (B) of this section to provide additional or improved needed permanent improvements in time to meet the needs.

(2) The board of education shall certify a copy of that resolution to the superintendent of public instruction with a statistical report showing all of the following:

(a) The history of and a projection of the growth of the tax valuation;	164 165
(b) The projected needs;	166
(c) The estimated cost of permanent improvements proposed to meet such projected needs.	167 168
(3) The superintendent of public instruction shall certify the district as an approved special needs district if the superintendent finds both of the following:	169 170 171
(a) The district does not have available sufficient additional funds from state or federal sources to meet the projected needs.	172 173 174
(b) The projection of the potential average growth of tax valuation during the next five years, according to the information certified to the superintendent and any other information the superintendent obtains, indicates a likelihood of potential average growth of tax valuation of the district during the next five years of an average of not less than one and one-half per cent per year. The findings and certification of the superintendent shall be conclusive.	175 176 177 178 179 180 181 182
(4) An approved special needs district may incur net indebtedness by the issuance of securities in accordance with the provisions of this chapter in an amount that does not exceed an amount equal to the greater of the following:	183 184 185 186
(a) Twelve per cent of the sum of its tax valuation plus an amount that is the product of multiplying that tax valuation by the percentage by which the tax valuation has increased over the tax valuation on the first day of the sixtieth month preceding the month in which its board determines to submit to the electors the question of issuing the proposed securities;	187 188 189 190 191 192

(b) Twelve per cent of the sum of its tax valuation plus 193
an amount that is the product of multiplying that tax valuation 194
by the percentage, determined by the superintendent of public 195
instruction, by which that tax valuation is projected to 196
increase during the next ten years. 197

(F) A school district may issue securities for emergency 198
purposes, in a principal amount that does not exceed an amount 199
equal to three per cent of its tax valuation, as provided in 200
this division. 201

(1) A board of education, by resolution, may declare an 202
emergency if it determines both of the following: 203

(a) School buildings or other necessary school facilities 204
in the district have been wholly or partially destroyed, or 205
condemned by a constituted public authority, or that such 206
buildings or facilities are partially constructed, or so 207
constructed or planned as to require additions and improvements 208
to them before the buildings or facilities are usable for their 209
intended purpose, or that corrections to permanent improvements 210
are necessary to remove or prevent health or safety hazards. 211

(b) Existing fiscal and net indebtedness limitations make 212
adequate replacement, additions, or improvements impossible. 213

(2) Upon the declaration of an emergency, the board of 214
education may, by resolution, submit to the electors of the 215
district pursuant to section 133.18 of the Revised Code the 216
question of issuing securities for the purpose of paying the 217
cost, in excess of any insurance or condemnation proceeds 218
received by the district, of permanent improvements to respond 219
to the emergency need. 220

(3) The procedures for the election shall be as provided 221

in section 133.18 of the Revised Code, except that: 222

(a) The form of the ballot shall describe the emergency 223
existing, refer to this division as the authority under which 224
the emergency is declared, and state that the amount of the 225
proposed securities exceeds the limitations prescribed by 226
division (B) of this section; 227

(b) The resolution required by division (B) of section 228
133.18 of the Revised Code shall be certified to the county 229
auditor and the board of elections at least one hundred days 230
prior to the election; 231

(c) The county auditor shall advise and, not later than 232
ninety-five days before the election, confirm that advice by 233
certification to, the board of education of the information 234
required by division (C) of section 133.18 of the Revised Code; 235

(d) The board of education shall then certify its 236
resolution and the information required by division (D) of 237
section 133.18 of the Revised Code to the board of elections not 238
less than ninety days prior to the election. 239

(4) Notwithstanding division (B) of section 133.21 of the 240
Revised Code, the first principal payment of securities issued 241
under this division may be set at any date not later than sixty 242
months after the earliest possible principal payment otherwise 243
provided for in that division. 244

(G) (1) The board of education may contract with an 245
architect, professional engineer, or other person experienced in 246
the design and implementation of energy conservation measures 247
for an analysis and recommendations pertaining to installations, 248
modifications of installations, or remodeling that would 249
significantly reduce energy consumption in buildings owned by 250

the district. The report shall include estimates of all costs of 251
such installations, modifications, or remodeling, including 252
costs of design, engineering, installation, maintenance, 253
repairs, measurement and verification of energy savings, and 254
debt service, forgone residual value of materials or equipment 255
replaced by the energy conservation measure, as defined by the 256
Ohio school facilities commission, a baseline analysis of actual 257
energy consumption data for the preceding three years with the 258
utility baseline based on only the actual energy consumption 259
data for the preceding twelve months, and estimates of the 260
amounts by which energy consumption and resultant operational 261
and maintenance costs, as defined by the commission, would be 262
reduced. 263

If the board finds after receiving the report that the 264
amount of money the district would spend on such installations, 265
modifications, or remodeling is not likely to exceed the amount 266
of money it would save in energy and resultant operational and 267
maintenance costs over the ensuing fifteen years, the board may 268
submit to the commission a copy of its findings and a request 269
for approval to incur indebtedness to finance the making or 270
modification of installations or the remodeling of buildings for 271
the purpose of significantly reducing energy consumption. 272

The school facilities commission, in consultation with the 273
auditor of state, may deny a request under this division by the 274
board of education of any school district that is in a state of 275
fiscal watch pursuant to division (A) of section 3316.03 of the 276
Revised Code, if it determines that the expenditure of funds is 277
not in the best interest of the school district. 278

No district board of education of a school district that 279
is in a state of fiscal emergency pursuant to division (B) of 280

section 3316.03 of the Revised Code shall submit a request 281
without submitting evidence that the installations, 282
modifications, or remodeling have been approved by the 283
district's financial planning and supervision commission 284
established under section 3316.05 of the Revised Code. 285

No board of education of a school district that, for three 286
or more consecutive years, has been declared to be in a state of 287
academic emergency under section 3302.03 of the Revised Code, as 288
that section existed prior to March 22, 2013, and has failed to 289
meet adequate yearly progress, or has met any condition set 290
forth in division (A)(2) or (3) of section 3302.10 of the 291
Revised Code shall submit a request without first receiving 292
approval to incur indebtedness from the district's academic 293
distress commission established under that section, for so long 294
as such commission continues to be required for the district. 295

(2) The school facilities commission shall approve the 296
board's request provided that the following conditions are 297
satisfied: 298

(a) The commission determines that the board's findings 299
are reasonable. 300

(b) The request for approval is complete. 301

(c) The installations, modifications, or remodeling are 302
consistent with any project to construct or acquire classroom 303
facilities, or to reconstruct or make additions to existing 304
classroom facilities under sections 3318.01 to 3318.20 or 305
sections 3318.40 to 3318.45 of the Revised Code. 306

Upon receipt of the commission's approval, the district 307
may issue securities without a vote of the electors in a 308
principal amount not to exceed nine-tenths of one per cent of 309

its tax valuation for the purpose of making such installations, 310
modifications, or remodeling, but the total net indebtedness of 311
the district without a vote of the electors incurred under this 312
and all other sections of the Revised Code, except section 313
3318.052 of the Revised Code, shall not exceed one per cent of 314
the district's tax valuation. 315

(3) So long as any securities issued under this division 316
remain outstanding, the board of education shall monitor the 317
energy consumption and resultant operational and maintenance 318
costs of buildings in which installations or modifications have 319
been made or remodeling has been done pursuant to this division. 320
Except as provided in division (G)(4) of this section, the board 321
shall maintain and annually update a report in a form and manner 322
prescribed by the school facilities commission documenting the 323
reductions in energy consumption and resultant operational and 324
maintenance cost savings attributable to such installations, 325
modifications, or remodeling. The resultant operational and 326
maintenance cost savings shall be certified by the school 327
district treasurer. The report shall be submitted annually to 328
the commission. 329

(4) If the school facilities commission verifies that the 330
certified annual reports submitted to the commission by a board 331
of education under division (G)(3) of this section fulfill the 332
guarantee required under division (B) of section 3313.372 of the 333
Revised Code for three consecutive years, the board of education 334
shall no longer be subject to the annual reporting requirements 335
of division (G)(3) of this section. 336

(H) With the consent of the superintendent of public 337
instruction, a school district may incur without a vote of the 338
electors net indebtedness that exceeds the amounts stated in 339

divisions (A) and (G) of this section for the purpose of paying 340
costs of permanent improvements, if and to the extent that both 341
of the following conditions are satisfied: 342

(1) The fiscal officer of the school district estimates 343
that receipts of the school district from payments made under or 344
pursuant to agreements entered into pursuant to section 725.02, 345
1728.10, 3735.671, 5709.081, 5709.082, 5709.40, 5709.41, 346
5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, or 347
5709.82 of the Revised Code, or distributions under division (C) 348
of section 5709.43 or division (B) of section 5709.47 of the 349
Revised Code, or any combination thereof, are, after accounting 350
for any appropriate coverage requirements, sufficient in time 351
and amount, and are committed by the proceedings, to pay the 352
debt charges on the securities issued to evidence that 353
indebtedness and payable from those receipts, and the taxing 354
authority of the district confirms the fiscal officer's 355
estimate, which confirmation is approved by the superintendent 356
of public instruction; 357

(2) The fiscal officer of the school district certifies, 358
and the taxing authority of the district confirms, that the 359
district, at the time of the certification and confirmation, 360
reasonably expects to have sufficient revenue available for the 361
purpose of operating such permanent improvements for their 362
intended purpose upon acquisition or completion thereof, and the 363
superintendent of public instruction approves the taxing 364
authority's confirmation. 365

The maximum maturity of securities issued under division 366
(H) of this section shall be the lesser of twenty years or the 367
maximum maturity calculated under section 133.20 of the Revised 368
Code. 369

(I) A school district may incur net indebtedness by the 370
issuance of securities in accordance with the provisions of this 371
chapter in excess of the limit specified in division (B) or (C) 372
of this section when necessary to raise the school district 373
portion of the basic project cost and any additional funds 374
necessary to participate in a project under Chapter 3318. of the 375
Revised Code, including the cost of items designated by the 376
school facilities commission as required locally funded 377
initiatives, the cost of other locally funded initiatives in an 378
amount that does not exceed fifty per cent of the district's 379
portion of the basic project cost, and the cost for site 380
acquisition. The commission shall notify the superintendent of 381
public instruction whenever a school district will exceed either 382
limit pursuant to this division. 383

(J) A school district whose portion of the basic project 384
cost of its classroom facilities project under sections 3318.01 385
to 3318.20 of the Revised Code is greater than or equal to one 386
hundred million dollars may incur without a vote of the electors 387
net indebtedness in an amount up to two per cent of its tax 388
valuation through the issuance of general obligation securities 389
in order to generate all or part of the amount of its portion of 390
the basic project cost if the controlling board has approved the 391
school facilities commission's conditional approval of the 392
project under section 3318.04 of the Revised Code. The school 393
district board and the Ohio school facilities commission shall 394
include the dedication of the proceeds of such securities in the 395
agreement entered into under section 3318.08 of the Revised 396
Code. No state moneys shall be released for a project to which 397
this section applies until the proceeds of any bonds issued 398
under this section that are dedicated for the payment of the 399
school district portion of the project are first deposited into 400

the school district's project construction fund. 401

Sec. 709.024. (A) A petition filed under section 709.021 402
of the Revised Code that requests to follow this section is for 403
the special procedure of annexing land into a municipal 404
corporation for the purpose of undertaking a significant 405
economic development project. As used in this section, 406
"significant economic development project" means one or more 407
economic development projects that can be classified as 408
industrial, distribution, high technology, research and 409
development, or commercial, which projects may include ancillary 410
residential and retail uses and which projects shall satisfy all 411
of the following: 412

(1) Total private real and personal property investment in 413
a project shall be in excess of ten million dollars through land 414
and infrastructure, new construction, reconstruction, 415
installation of fixtures and equipment, or the addition of 416
inventory, excluding investment solely related to the ancillary 417
residential and retail elements, if any, of the project. As used 418
in this division, "private real and personal property 419
investment" does not include payments in lieu of taxes, however 420
characterized, under Chapter 725. or 1728. or sections 5709.40 421
to 5709.43, 5709.45 to 5709.47, 5709.73 to 5709.75, or 5709.78 422
to 5709.81 of the Revised Code. 423

(2) There shall be created by the project an additional 424
annual payroll in excess of one million dollars, excluding 425
payroll arising solely out of the retail elements, if any, of 426
the project. 427

(3) The project has been certified by the state director 428
of development as meeting the requirements of divisions (A) (1) 429
and (2) of this section. 430

(B) Upon the filing of the petition under section 709.021 431
of the Revised Code in the office of the clerk of the board of 432
county commissioners, the clerk shall cause the petition to be 433
entered upon the journal of the board at its next regular 434
session. This entry shall be the first official act of the board 435
on the petition. Within five days after the filing of the 436
petition, the agent for the petitioners shall notify in the 437
manner and form specified in this division the clerk of the 438
legislative authority of the municipal corporation to which 439
annexation is proposed, the fiscal officer of each township any 440
portion of which is included within the territory proposed for 441
annexation, the clerk of the board of county commissioners of 442
each county in which the territory proposed for annexation is 443
located other than the county in which the petition is filed, 444
and the owners of property adjacent to the territory proposed 445
for annexation or adjacent to a road that is adjacent to that 446
territory and located directly across that road from that 447
territory. The notice shall refer to the time and date when the 448
petition was filed and the county in which it was filed and 449
shall have attached or shall be accompanied by a copy of the 450
petition and any attachments or documents accompanying the 451
petition as filed. 452

Notice to a property owner is sufficient if sent by 453
regular United States mail to the tax mailing address listed on 454
the county auditor's records. Notice to the appropriate 455
government officer shall be given by certified mail, return 456
receipt requested, or by causing the notice to be personally 457
served on the officer, with proof of service by affidavit of the 458
person who delivered the notice. Proof of service of the notice 459
on each appropriate government officer shall be filed with the 460
board of county commissioners with which the petition was filed. 461

(C) (1) Within thirty days after the petition is filed, the legislative authority of the municipal corporation to which annexation is proposed and each township any portion of which is included within the territory proposed for annexation may adopt and file with the board of county commissioners an ordinance or resolution consenting or objecting to the proposed annexation. An objection to the proposed annexation shall be based solely upon the petition's failure to meet the conditions specified in division (F) of this section. Failure of the municipal corporation or any of those townships to timely file an ordinance or resolution consenting or objecting to the proposed annexation shall be deemed to constitute consent by that municipal corporation or township to the proposed annexation.

(2) Within twenty days after receiving the notice required by division (B) of this section, the legislative authority of the municipal corporation shall adopt, by ordinance or resolution, a statement indicating what services the municipal corporation will provide or cause to be provided, and an approximate date by which it will provide or cause them to be provided, to the territory proposed for annexation, upon annexation. If a hearing is to be conducted under division (E) of this section, the legislative authority shall file the statement with the clerk of the board of county commissioners at least twenty days before the date of the hearing.

(D) If all parties to the annexation proceedings consent to the proposed annexation, a hearing shall not be held, and the board, at its next regular session, shall enter upon its journal a resolution granting the annexation. There is no appeal in law or in equity from the board's entry of a resolution under this division. The clerk of the board shall proceed as provided in division (C) (1) of section 709.033 of the Revised Code.

(E) Unless the petition is granted under division (D) of this section, a hearing shall be held on the petition. The board of county commissioners shall hear the petition at its next regular session and shall notify the agent for the petitioners of the hearing's date, time, and place. The agent for the petitioners shall give, within five days after receipt of the notice of the hearing from the board, to the parties and property owners entitled to notice under division (B) of this section, notice of the date, time, and place of the hearing. Notice to a property owner is sufficient if sent by regular United States mail to the tax mailing address listed on the county auditor's records. At the hearing, the parties and any owner of real estate within the territory proposed to be annexed are entitled to appear for the purposes described in division (C) of section 709.032 of the Revised Code.

(F) Within thirty days after a hearing under division (E) of this section, the board of county commissioners shall enter upon its journal a resolution granting or denying the proposed annexation. The resolution shall include specific findings of fact as to whether or not each of the conditions listed in this division has been met. If the board grants the annexation, the clerk of the board shall proceed as provided in division (C)(1) of section 709.033 of the Revised Code.

The board shall enter a resolution granting the annexation if it finds, based upon a preponderance of the substantial, reliable, and probative evidence on the whole record, that each of the following conditions has been met:

(1) The petition meets all the requirements set forth in, and was filed in the manner provided in, section 709.021 of the Revised Code.

(2) The persons who signed the petition are owners of real estate located in the territory proposed to be annexed in the petition and constitute all of the owners of real estate in that territory.

(3) No street or highway will be divided or segmented by the boundary line between a township and the municipal corporation as to create a road maintenance problem, or if the street or highway will be so divided or segmented, the municipal corporation has agreed, as a condition of the annexation, that it will assume the maintenance of that street or highway. For the purposes of this division, "street" or "highway" has the same meaning as in section 4511.01 of the Revised Code.

(4) The municipal corporation to which the territory is proposed to be annexed has adopted an ordinance or resolution as required by division (C) (2) of this section.

(5) The state director of development has certified that the project meets the requirements of divisions (A) (1) and (2) of this section and thereby qualifies as a significant economic development project. The director's certification is binding on the board of county commissioners.

(G) An owner who signed the petition may appeal a decision of the board of county commissioners denying the proposed annexation under section 709.07 of the Revised Code. No other person has standing to appeal the board's decision in law or in equity. If the board grants the annexation, there shall be no appeal in law or in equity.

(H) Notwithstanding anything to the contrary in section 503.07 of the Revised Code, unless otherwise provided in an annexation agreement entered into pursuant to section 709.192 of

the Revised Code or in a cooperative economic development 552
agreement entered into pursuant to section 701.07 of the Revised 553
Code, territory annexed into a municipal corporation pursuant to 554
this section shall not at any time be excluded from the township 555
under section 503.07 of the Revised Code and, thus, remains 556
subject to the township's real property taxes. 557

(I) A municipal corporation to which annexation is 558
proposed is entitled in its sole discretion to provide to the 559
territory proposed for annexation, upon annexation, services in 560
addition to the services described in the ordinance or 561
resolution adopted by the legislative authority of the municipal 562
corporation under division (C) (2) of this section. 563

Sec. 709.19. (A) As used in this section: 564

(1) "International airport" means any airport that is: 565

(a) Designated as an international airport or a landing 566
rights airport by the United States secretary of the treasury; 567

(b) Owned and operated by a municipal corporation; 568

(c) An unincorporated area not contiguous to the municipal 569
corporation that owns it. 570

(2) "Commercial," "industrial," "residential," and 571
"retail," in relation to property, mean property classified as 572
such by the tax commissioner for the purposes of valuing 573
property for taxation, except that "commercial," in relation to 574
property, does not include any property classified as "retail." 575

(B) If unincorporated territory is annexed to a municipal 576
corporation and excluded from a township under section 503.07 of 577
the Revised Code, upon exclusion of that territory, the 578
municipal corporation that annexed the territory shall make 579

payments to the township from which the territory was annexed 580
only as provided in this section, except that, if the 581
legislative authority of the municipal corporation enters into 582
an agreement under section 701.07, 709.191, or 709.192 of the 583
Revised Code with the township from which the territory was 584
annexed that makes alternate provisions regarding payments by 585
the municipal corporation, then the payment provisions in that 586
agreement shall apply in lieu of the provisions of this section. 587

(C) (1) Except as provided in division (C) (2) of this 588
section, the municipal corporation that annexed the territory 589
shall make the following payments to the township from which the 590
territory was annexed with respect to commercial and industrial 591
real, personal, and public utility property taxes using the 592
property valuation for the year that the payment is due: 593

(a) In the first through third years following the 594
annexation and exclusion of the territory from the township, 595
eighty per cent of the township taxes in the annexed territory 596
that would have been due the township for commercial and 597
industrial real, personal, and public utility property taxes if 598
no annexation had occurred; 599

(b) In the fourth and fifth years following the annexation 600
and the exclusion of the territory from the township, sixty- 601
seven and one-half per cent of the township taxes in the annexed 602
territory that would have been due the township for commercial 603
and industrial real, personal, and public utility property taxes 604
if no annexation had occurred; 605

(c) In the sixth and seventh years following the 606
annexation and exclusion of the territory from the township, 607
sixty-two and one-half per cent of the township taxes in the 608
annexed territory that would have been due the township for 609

commercial and industrial real, personal, and public utility 610
property taxes if no annexation had occurred; 611

(d) In the eighth and ninth years following the annexation 612
and exclusion of the territory from the township, fifty-seven 613
and one-half per cent of the township taxes in the annexed 614
territory that would have been due the township for commercial 615
and industrial real, personal, and public utility property taxes 616
if no annexation had occurred; 617

(e) In the tenth through twelfth years following the 618
annexation and exclusion of the territory from the township, 619
forty-two and one-half per cent of the township taxes in the 620
annexed territory that would have been due the township for 621
commercial and industrial real, personal, and public utility 622
property taxes if no annexation had occurred. 623

(2) If there has been an exemption by the municipal 624
corporation of commercial and industrial real, personal, or 625
public utility property taxes pursuant to section 725.02, 626
1728.10, 3735.67, 5709.40, 5709.41, 5709.45, 5709.62, or 5709.88 627
of the Revised Code, there shall be no reduction in the payments 628
owed to the township due to that exemption. The municipal 629
corporation shall make payments to the township under division 630
(C)(1) of this section, calculated as if the exemption had not 631
occurred. 632

(D) The municipal corporation that annexed the territory 633
shall make the following payments to the township from which the 634
territory was annexed with respect to residential and retail 635
real property taxes using the property valuation for the year 636
that the payment is due: 637

(1) In the first through third years following the 638

annexation and exclusion of the territory from the township, 639
eighty per cent of the township taxes in the annexed territory 640
that would have been due the township for residential and retail 641
real property taxes if no annexation had occurred; 642

(2) In the fourth and fifth years following the annexation 643
and exclusion of the territory from the township, fifty-two and 644
one-half per cent of the township taxes in the annexed territory 645
that would have been due the township for residential and retail 646
real property taxes if no annexation had occurred; 647

(3) In the sixth through tenth years following the 648
annexation and exclusion of the territory from the township, 649
forty per cent of the township taxes in the annexed territory 650
that would have been due the township for residential and retail 651
real property taxes if no annexation had occurred; 652

(4) In the eleventh and twelfth years following the 653
annexation and exclusion of the territory from the township, 654
twenty-seven and one-half per cent of the township taxes in the 655
annexed territory that would have been due the township for 656
residential and retail real property taxes if no annexation had 657
occurred. 658

(E) If, pursuant to division (F) of this section, a 659
municipal corporation annexes an international airport that it 660
owns, the municipal corporation shall pay the township one 661
hundred per cent of the township taxes in the annexed territory 662
that would have been due the township if no annexation had 663
occurred for each of the twenty-five years following the 664
annexation. 665

(F) (1) Notwithstanding any other provision of this 666
chapter, a board of county commissioners may authorize a 667

municipal corporation to annex an international airport that the 668
municipal corporation owns. Unless a contract is entered into 669
pursuant to division (F) (2) of this section, any municipal 670
corporation that annexes an international airport under this 671
division shall make payments to the township from which the 672
international airport is annexed, in the manner provided in 673
division (E) of this section. No territory annexed pursuant to 674
this division shall be considered part of the municipal 675
corporation for the purposes of subsequent annexation, except 676
that the board of county commissioners may authorize subsequent 677
annexation under this division if the board determines that 678
subsequent annexation is necessary to the continued operation of 679
the international airport. 680

(2) The chief executive of a municipal corporation that 681
annexes territory pursuant to this division may enter into a 682
contract with the board of township trustees of the township 683
that loses the territory whereby the township agrees to provide 684
the annexed territory with police, fire, or other services it is 685
authorized to provide in exchange for specified consideration as 686
agreed upon by the board of township trustees and the chief 687
executive. In no instance shall the consideration received by 688
the township be less than the payments that would be required 689
under division (F) (1) of this section if no contract were 690
entered into. 691

Sec. 1710.14. The board of directors of a special 692
improvement district in which all or part of a downtown 693
redevelopment district is located may accept contributions from 694
the municipal corporation that created the downtown 695
redevelopment district pursuant to division (E) (2) of section 696
5709.45 of the Revised Code. The board shall use all such 697
contributions to promote the downtown redevelopment district to 698

potential business patrons, to recruit businesses to relocate or 699
expand to the downtown redevelopment district, and to attract 700
and promote events and activities that generate revenue or 701
enhance public welfare within the downtown redevelopment 702
district. The board shall periodically report to the legislative 703
authority of the municipal corporation on the expenditure of the 704
contributions and plans for the utilization of future 705
contributions. If any contributions received by a special 706
improvement district under this section remain after the 707
dissolution or expiration of the downtown redevelopment 708
district, the board shall pay the remaining amount to the 709
contributing municipal corporation, which shall credit the money 710
to its general fund. 711

Sec. 1724.12. The board of directors of a community 712
improvement corporation in which all or a part of a downtown 713
redemption district is located may accept contributions from 714
the municipal corporation that created the district pursuant to 715
division (E)(2) of section 5709.45 of the Revised Code. The 716
board shall use all such contributions to promote the downtown 717
redemption district to potential business patrons, to recruit 718
businesses to relocate or expand to the downtown redemption 719
district, and to attract and promote events and activities that 720
generate revenue or enhance public welfare within the downtown 721
redemption district. The board shall periodically report to 722
the legislative authority of the municipal corporation on the 723
expenditure of the contributions and plans for the utilization 724
of future contributions. If any contributions received by a 725
community improvement corporation under this section remain 726
after the dissolution or expiration of the downtown 727
redemption district, the board shall pay the remaining amount 728
to the contributing municipal corporation, which shall credit 729

the money to its general fund. 730

Sec. 3317.021. (A) On or before the first day of June of 731
each year, the tax commissioner shall certify to the department 732
of education and the office of budget and management the 733
information described in divisions (A) (1) to (5) of this section 734
for each city, exempted village, and local school district, and 735
the information required by divisions (A) (1) and (2) of this 736
section for each joint vocational school district, and it shall 737
be used, along with the information certified under division (B) 738
of this section, in making the computations for the district 739
under this chapter. 740

(1) The taxable value of real and public utility real 741
property in the school district subject to taxation in the 742
preceding tax year, by class and by county of location. 743

(2) The taxable value of tangible personal property, 744
including public utility personal property, subject to taxation 745
by the district for the preceding tax year. 746

(3) (a) The total property tax rate and total taxes charged 747
and payable for the current expenses for the preceding tax year 748
and the total property tax rate and the total taxes charged and 749
payable to a joint vocational district for the preceding tax 750
year that are limited to or to the extent apportioned to current 751
expenses. 752

(b) The portion of the amount of taxes charged and payable 753
reported for each city, local, and exempted village school 754
district under division (A) (3) (a) of this section attributable 755
to a joint vocational school district. 756

(4) The value of all real and public utility real property 757
in the school district exempted from taxation minus both of the 758

following: 759

(a) The value of real and public utility real property in 760
the district owned by the United States government and used 761
exclusively for a public purpose; 762

(b) The value of real and public utility real property in 763
the district exempted from taxation under Chapter 725. or 1728. 764
or section 3735.67, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 765
5709.632, 5709.73, or 5709.78 of the Revised Code. 766

(5) The total federal adjusted gross income of the 767
residents of the school district, based on tax returns filed by 768
the residents of the district, for the most recent year for 769
which this information is available, and the median Ohio 770
adjusted gross income of the residents of the school district 771
determined on the basis of tax returns filed for the second 772
preceding tax year by the residents of the district. 773

(B) On or before the first day of May each year, the tax 774
commissioner shall certify to the department of education and 775
the office of budget and management the total taxable real 776
property value of railroads and, separately, the total taxable 777
tangible personal property value of all public utilities for the 778
preceding tax year, by school district and by county of 779
location. 780

(C) If a public utility has properly and timely filed a 781
petition for reassessment under section 5727.47 of the Revised 782
Code with respect to an assessment issued under section 5727.23 783
of the Revised Code affecting taxable property apportioned by 784
the tax commissioner to a school district, the taxable value of 785
public utility tangible personal property included in the 786
certification under divisions (A) (2) and (B) of this section for 787

the school district shall include only the amount of taxable 788
value on the basis of which the public utility paid tax for the 789
preceding year as provided in division (B) (1) or (2) of section 790
5727.47 of the Revised Code. 791

(D) If on the basis of the information certified under 792
division (A) of this section, the department determines that any 793
district fails in any year to meet the qualification requirement 794
specified in division (A) of section 3317.01 of the Revised 795
Code, the department shall immediately request the tax 796
commissioner to determine the extent to which any school 797
district income tax levied by the district under Chapter 5748. 798
of the Revised Code shall be included in meeting that 799
requirement. Within five days of receiving such a request from 800
the department, the tax commissioner shall make the 801
determination required by this division and report the quotient 802
obtained under division (D) (3) of this section to the department 803
and the office of budget and management. This quotient 804
represents the number of mills that the department shall include 805
in determining whether the district meets the qualification 806
requirement of division (A) of section 3317.01 of the Revised 807
Code. 808

The tax commissioner shall make the determination required 809
by this division as follows: 810

(1) Multiply one mill times the total taxable value of the 811
district as determined in divisions (A) (1) and (2) of this 812
section; 813

(2) Estimate the total amount of tax liability for the 814
current tax year under taxes levied by Chapter 5748. of the 815
Revised Code that are apportioned to current operating expenses 816
of the district, excluding any income tax receipts allocated for 817

the project cost, debt service, or maintenance set-aside 818
associated with a state-assisted classroom facilities project as 819
authorized by section 3318.052 of the Revised Code; 820

(3) Divide the amount estimated under division (D) (2) of 821
this section by the product obtained under division (D) (1) of 822
this section. 823

Sec. 5501.311. (A) Notwithstanding sections 123.01 and 824
127.16 of the Revised Code the director of transportation may 825
lease or lease-purchase all or any part of a transportation 826
facility to or from one or more persons, one or more 827
governmental agencies, a transportation improvement district, or 828
any combination thereof, and may grant leases, easements, or 829
licenses for lands under the control of the department of 830
transportation. The director may adopt rules necessary to give 831
effect to this section. 832

(B) Plans and specifications for the construction of a 833
transportation facility under a lease or lease-purchase 834
agreement are subject to approval of the director and must meet 835
or exceed all applicable standards of the department. 836

(C) Any lease or lease-purchase agreement under which the 837
department is the lessee shall be for a period not exceeding the 838
then current two-year period for which appropriations have been 839
made by the general assembly to the department, and such 840
agreement may contain such other terms as the department and the 841
other parties thereto agree, notwithstanding any other provision 842
of law, including provisions that rental payments in amounts 843
sufficient to pay bond service charges payable during the 844
current two-year lease term shall be an absolute and 845
unconditional obligation of the department independent of all 846
other duties under the agreement without set-off or deduction or 847

any other similar rights or defenses. Any such agreement may 848
provide for renewal of the agreement at the end of each term for 849
another term, not exceeding two years, provided that no renewal 850
shall be effective until the effective date of an appropriation 851
enacted by the general assembly from which the department may 852
lawfully pay rentals under such agreement. Any such agreement 853
may include, without limitation, any agreement by the department 854
with respect to any costs of transportation facilities to be 855
included prior to acquisition and construction of such 856
transportation facilities. Any such agreement shall not 857
constitute a debt or pledge of the faith and credit of the 858
state, or of any political subdivision of the state, and the 859
lessor shall have no right to have taxes or excises levied by 860
the general assembly, or the taxing authority of any political 861
subdivision of the state, for the payment of rentals thereunder. 862
Any such agreement shall contain a statement to that effect. 863

(D) A municipal corporation, township, or county may use 864
service payments in lieu of taxes credited to special funds or 865
accounts pursuant to sections 5709.43, 5709.47, 5709.75, and 866
5709.80 of the Revised Code to provide its contribution to the 867
cost of a transportation facility, provided such facility was 868
among the purposes for which such service payments were 869
authorized. The contribution may be in the form of a lump sum or 870
periodic payments. 871

(E) Pursuant to the "Telecommunications Act of 1996," 110 872
Stat. 152, 47 U.S.C. 332 note, the director may grant a lease, 873
easement, or license in a transportation facility to a 874
telecommunications service provider for construction, placement, 875
or operation of a telecommunications facility. An interest 876
granted under this division is subject to all of the following 877
conditions: 878

(1) The transportation facility is owned in fee simple or 879
easement by this state at the time the lease, easement, or 880
license is granted to the telecommunications provider. 881

(2) The lease, easement, or license shall be granted on a 882
competitive basis in accordance with policies and procedures to 883
be determined by the director. The policies and procedures may 884
include provisions for master leases for multiple sites. 885

(3) The telecommunications facility shall be designed to 886
accommodate the state's multi-agency radio communication system, 887
the intelligent transportation system, and the department's 888
communication system as the director may determine is necessary 889
for highway or other departmental purposes. 890

(4) The telecommunications facility shall be designed to 891
accommodate such additional telecommunications equipment as may 892
feasibly be co-located thereon as determined in the discretion 893
of the director. 894

(5) The telecommunications service providers awarded the 895
lease, easement, or license, agree to permit other 896
telecommunications service providers to co-locate on the 897
telecommunications facility, and agree to the terms and 898
conditions of the co-location as determined in the discretion of 899
the director. 900

(6) The director shall require indemnity agreements in 901
favor of the department as a condition of any lease, easement, 902
or license granted under this division. Each indemnity agreement 903
shall secure this state and its agents from liability for 904
damages arising out of safety hazards, zoning, and any other 905
matter of public interest the director considers necessary. 906

(7) The telecommunications service provider fully complies 907

with any permit issued under section 5515.01 of the Revised Code 908
pertaining to land that is the subject of the lease, easement, 909
or license. 910

(8) All plans and specifications shall meet with the 911
director's approval. 912

(9) Any other conditions the director determines 913
necessary. 914

(F) In accordance with section 5501.031 of the Revised 915
Code, to further efforts to promote energy conservation and 916
energy efficiency, the director may grant a lease, easement, or 917
license in a transportation facility to a utility service 918
provider that has received its certificate from the Ohio power 919
siting board or appropriate local entity for construction, 920
placement, or operation of an alternative energy generating 921
facility service provider as defined in section 4928.64 of the 922
Revised Code. An interest granted under this division is subject 923
to all of the following conditions: 924

(1) The transportation facility is owned in fee simple or 925
in easement by this state at the time the lease, easement, or 926
license is granted to the utility service provider. 927

(2) The lease, easement, or license shall be granted on a 928
competitive basis in accordance with policies and procedures to 929
be determined by the director. The policies and procedures may 930
include provisions for master leases for multiple sites. 931

(3) The alternative energy generating facility shall be 932
designed to provide energy for the department's transportation 933
facilities with the potential for selling excess power on the 934
power grid, as the director may determine is necessary for 935
highway or other departmental purposes. 936

(4) The director shall require indemnity agreements in favor of the department as a condition of any lease, easement, or license granted under this division. Each indemnity agreement shall secure this state from liability for damages arising out of safety hazards, zoning, and any other matter of public interest the director considers necessary.

(5) The alternative energy service provider fully complies with any permit issued by the Ohio power siting board under Chapter 4906. of the Revised Code and complies with section 5515.01 of the Revised Code pertaining to land that is the subject of the lease, easement, or license.

(6) All plans and specifications shall meet with the director's approval.

(7) Any other conditions the director determines necessary.

(G) Money the department receives under this section shall be deposited into the state treasury to the credit of the highway operating fund.

(H) A lease, easement, or license granted under division (E) or (F) of this section, and any telecommunications facility or alternative energy generating facility relating to such interest in a transportation facility, is hereby deemed to further the essential highway purpose of building and maintaining a safe, energy-efficient, and accessible transportation system.

Sec. 5709.12. (A) As used in this section, "independent living facilities" means any residential housing facilities and related property that are not a nursing home, residential care facility, or residential facility as defined in division (A) of

section 5701.13 of the Revised Code. 966

(B) Lands, houses, and other buildings belonging to a 967
county, township, or municipal corporation and used exclusively 968
for the accommodation or support of the poor, or leased to the 969
state or any political subdivision for public purposes shall be 970
exempt from taxation. Real and tangible personal property 971
belonging to institutions that is used exclusively for 972
charitable purposes shall be exempt from taxation, including 973
real property belonging to an institution that is a nonprofit 974
corporation that receives a grant under the Thomas Alva Edison 975
grant program authorized by division (C) of section 122.33 of 976
the Revised Code at any time during the tax year and being held 977
for leasing or resale to others. If, at any time during a tax 978
year for which such property is exempted from taxation, the 979
corporation ceases to qualify for such a grant, the director of 980
development shall notify the tax commissioner, and the tax 981
commissioner shall cause the property to be restored to the tax 982
list beginning with the following tax year. All property owned 983
and used by a nonprofit organization exclusively for a home for 984
the aged, as defined in section 5701.13 of the Revised Code, 985
also shall be exempt from taxation. 986

(C) (1) If a home for the aged described in division (B) (1) 987
of section 5701.13 of the Revised Code is operated in 988
conjunction with or at the same site as independent living 989
facilities, the exemption granted in division (B) of this 990
section shall include kitchen, dining room, clinic, entry ways, 991
maintenance and storage areas, and land necessary for access 992
commonly used by both residents of the home for the aged and 993
residents of the independent living facilities. Other facilities 994
commonly used by both residents of the home for the aged and 995
residents of independent living units shall be exempt from 996

taxation only if the other facilities are used primarily by the residents of the home for the aged. Vacant land currently unused by the home, and independent living facilities and the lands connected with them are not exempt from taxation. Except as provided in division (A) (1) of section 5709.121 of the Revised Code, property of a home leased for nonresidential purposes is not exempt from taxation.

(2) Independent living facilities are exempt from taxation if they are operated in conjunction with or at the same site as a home for the aged described in division (B) (2) of section 5701.13 of the Revised Code; operated by a corporation, association, or trust described in division (B) (1) (b) of that section; operated exclusively for the benefit of members of the corporation, association, or trust who are retired, aged, or infirm; and provided to those members without charge in consideration of their service, without compensation, to a charitable, religious, fraternal, or educational institution. For the purposes of division (C) (2) of this section, "compensation" does not include furnishing room and board, clothing, health care, or other necessities, or stipends or other de minimis payments to defray the cost thereof.

(D) (1) A private corporation established under federal law, as defined in 36 U.S.C. 1101, Pub. L. No. 102-199, 105 Stat. 1629, as amended, the objects of which include encouraging the advancement of science generally, or of a particular branch of science, the promotion of scientific research, the improvement of the qualifications and usefulness of scientists, or the increase and diffusion of scientific knowledge is conclusively presumed to be a charitable or educational institution. A private corporation established as a nonprofit corporation under the laws of a state that is exempt from

federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C.A. 1, as amended, and that has as its principal purpose one or more of the foregoing objects also is conclusively presumed to be a charitable or educational institution.

The fact that an organization described in this division operates in a manner that results in an excess of revenues over expenses shall not be used to deny the exemption granted by this section, provided such excess is used, or is held for use, for exempt purposes or to establish a reserve against future contingencies; and, provided further, that such excess may not be distributed to individual persons or to entities that would not be entitled to the tax exemptions provided by this chapter. Nor shall the fact that any scientific information diffused by the organization is of particular interest or benefit to any of its individual members be used to deny the exemption granted by this section, provided that such scientific information is available to the public for purchase or otherwise.

(2) Division (D)(2) of this section does not apply to real property exempted from taxation under this section and division (A)(3) of section 5709.121 of the Revised Code and belonging to a nonprofit corporation described in division (D)(1) of this section that has received a grant under the Thomas Alva Edison grant program authorized by division (C) of section 122.33 of the Revised Code during any of the tax years the property was exempted from taxation.

When a private corporation described in division (D)(1) of this section sells all or any portion of a tract, lot, or parcel of real estate that has been exempt from taxation under this section and section 5709.121 of the Revised Code, the portion

sold shall be restored to the tax list for the year following 1058
the year of the sale and, except in connection with a sale and 1059
transfer of such a tract, lot, or parcel to a county land 1060
reutilization corporation organized under Chapter 1724. of the 1061
Revised Code, a charge shall be levied against the sold property 1062
in an amount equal to the tax savings on such property during 1063
the four tax years preceding the year the property is placed on 1064
the tax list. The tax savings equals the amount of the 1065
additional taxes that would have been levied if such property 1066
had not been exempt from taxation. 1067

The charge constitutes a lien of the state upon such 1068
property as of the first day of January of the tax year in which 1069
the charge is levied and continues until discharged as provided 1070
by law. The charge may also be remitted for all or any portion 1071
of such property that the tax commissioner determines is 1072
entitled to exemption from real property taxation for the year 1073
such property is restored to the tax list under any provision of 1074
the Revised Code, other than sections 725.02, 1728.10, 3735.67, 1075
5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.71, 5709.73, 1076
5709.78, and 5709.84, upon an application for exemption covering 1077
the year such property is restored to the tax list filed under 1078
section 5715.27 of the Revised Code. 1079

(E) Real property held by an organization organized and 1080
operated exclusively for charitable purposes as described under 1081
section 501(c)(3) of the Internal Revenue Code and exempt from 1082
federal taxation under section 501(a) of the Internal Revenue 1083
Code, 26 U.S.C.A. 501(a) and (c)(3), as amended, for the purpose 1084
of constructing or rehabilitating residences for eventual 1085
transfer to qualified low-income families through sale, lease, 1086
or land installment contract, shall be exempt from taxation. 1087

The exemption shall commence on the day title to the 1088
property is transferred to the organization and shall continue 1089
to the end of the tax year in which the organization transfers 1090
title to the property to a qualified low-income family. In no 1091
case shall the exemption extend beyond the second succeeding tax 1092
year following the year in which the title was transferred to 1093
the organization. If the title is transferred to the 1094
organization and from the organization to a qualified low-income 1095
family in the same tax year, the exemption shall continue to the 1096
end of that tax year. The proportionate amount of taxes that are 1097
a lien but not yet determined, assessed, and levied for the tax 1098
year in which title is transferred to the organization shall be 1099
remitted by the county auditor for each day of the year that 1100
title is held by the organization. 1101

Upon transferring the title to another person, the 1102
organization shall file with the county auditor an affidavit 1103
affirming that the title was transferred to a qualified low- 1104
income family or that the title was not transferred to a 1105
qualified low-income family, as the case may be; if the title 1106
was transferred to a qualified low-income family, the affidavit 1107
shall identify the transferee by name. If the organization 1108
transfers title to the property to anyone other than a qualified 1109
low-income family, the exemption, if it has not previously 1110
expired, shall terminate, and the property shall be restored to 1111
the tax list for the year following the year of the transfer and 1112
a charge shall be levied against the property in an amount equal 1113
to the amount of additional taxes that would have been levied if 1114
such property had not been exempt from taxation. The charge 1115
constitutes a lien of the state upon such property as of the 1116
first day of January of the tax year in which the charge is 1117
levied and continues until discharged as provided by law. 1118

The application for exemption shall be filed as otherwise 1119
required under section 5715.27 of the Revised Code, except that 1120
the organization holding the property shall file with its 1121
application documentation substantiating its status as an 1122
organization organized and operated exclusively for charitable 1123
purposes under section 501(c)(3) of the Internal Revenue Code 1124
and its qualification for exemption from federal taxation under 1125
section 501(a) of the Internal Revenue Code, and affirming its 1126
intention to construct or rehabilitate the property for the 1127
eventual transfer to qualified low-income families. 1128

As used in this division, "qualified low-income family" 1129
means a family whose income does not exceed two hundred per cent 1130
of the official federal poverty guidelines as revised annually 1131
in accordance with section 673(2) of the "Omnibus Budget 1132
Reconciliation Act of 1981," 95 Stat. 511, 42 U.S.C.A. 9902, as 1133
amended, for a family size equal to the size of the family whose 1134
income is being determined. 1135

(F) (1) (a) Real property held by a county land 1136
reutilization corporation organized under Chapter 1724. of the 1137
Revised Code shall be exempt from taxation. Notwithstanding 1138
section 5715.27 of the Revised Code, a county land reutilization 1139
corporation is not required to apply to any county or state 1140
agency in order to qualify for the exemption. 1141

(b) Real property acquired or held by an electing 1142
subdivision other than a county land reutilization corporation 1143
on or after April 9, 2009, for the purpose of implementing an 1144
effective land reutilization program or for a related public 1145
purpose shall be exempt from taxation until sold or transferred 1146
by the electing subdivision. Notwithstanding section 5715.27 of 1147
the Revised Code, an electing subdivision is not required to 1148

apply to any county or state agency in order to qualify for an 1149
exemption with respect to property acquired or held for such 1150
purposes on or after such date, regardless of how the electing 1151
subdivision acquires the property. 1152

As used in this section, "electing subdivision" and "land 1153
reutilization program" have the same meanings as in section 1154
5722.01 of the Revised Code, and "county land reutilization 1155
corporation" means a county land reutilization corporation 1156
organized under Chapter 1724. of the Revised Code and any 1157
subsidiary wholly owned by such a county land reutilization 1158
corporation that is identified as "a wholly owned subsidiary of 1159
a county land reutilization corporation" in the deed of 1160
conveyance transferring title to the subsidiary. 1161

(2) An exemption authorized under division (F) (1) of this 1162
section shall commence on the day title to the property is 1163
transferred to the corporation or electing subdivision and shall 1164
continue to the end of the tax year in which the instrument 1165
transferring title from the corporation or subdivision to 1166
another owner is recorded, if the use to which the other owner 1167
puts the property does not qualify for an exemption under this 1168
section or any other section of the Revised Code. If the title 1169
to the property is transferred to the corporation and from the 1170
corporation, or to the subdivision and from the subdivision, in 1171
the same tax year, the exemption shall continue to the end of 1172
that tax year. The proportionate amount of taxes that are a lien 1173
but not yet determined, assessed, and levied for the tax year in 1174
which title is transferred to the corporation or subdivision 1175
shall be remitted by the county auditor for each day of the year 1176
that title is held by the corporation or subdivision. 1177

Upon transferring the title to another person, the 1178

corporation or electing subdivision shall file with the county auditor an affidavit or conveyance form affirming that the title was transferred to such other person and shall identify the transferee by name. If the corporation or subdivision transfers title to the property to anyone that does not qualify or the use to which the property is put does not qualify the property for an exemption under this section or any other section of the Revised Code, the exemption, if it has not previously expired, shall terminate, and the property shall be restored to the tax list for the year following the year of the transfer. A charge shall be levied against the property in an amount equal to the amount of additional taxes that would have been levied if such property had not been exempt from taxation. The charge constitutes a lien of the state upon such property as of the first day of January of the tax year in which the charge is levied and continues until discharged as provided by law.

In lieu of the application for exemption otherwise required to be filed as required under section 5715.27 of the Revised Code, a county land reutilization corporation holding the property shall, upon the request of any county or state agency, submit its articles of incorporation substantiating its status as a county land reutilization corporation.

(G) Real property that is owned by an organization described under section 501(c)(3) of the Internal Revenue Code and exempt from federal income taxation under section 501(a) of the Internal Revenue Code and that is used by that organization exclusively for receiving, processing, or distributing human blood, tissues, eyes, or organs or for research and development thereof shall be exempt from taxation.

Sec. 5709.45. (A) As used in sections 5709.45 to 5709.47

<u>of the Revised Code:</u>	1209
<u>(1) "Downtown redevelopment district" or "district" means</u>	1210
<u>an area not more than ten acres enclosed by a continuous</u>	1211
<u>boundary in which at least one historic building is being, or</u>	1212
<u>will be, rehabilitated.</u>	1213
<u>(2) "Historic building" and "rehabilitation" have the same</u>	1214
<u>meanings as in section 149.311 of the Revised Code.</u>	1215
<u>(3) "Public infrastructure improvement" has the same</u>	1216
<u>meaning as in section 5709.40 of the Revised Code.</u>	1217
<u>(4) "Improvement" means the increase in the assessed value</u>	1218
<u>of real property that would first appear on the tax list after</u>	1219
<u>the effective date of an ordinance adopted under this section</u>	1220
<u>were it not for the exemption granted by the ordinance.</u>	1221
<u>(5) "Innovation district" means an area located entirely</u>	1222
<u>within a downtown redevelopment district, enclosed by a</u>	1223
<u>continuous boundary, and equipped with a high-speed broadband</u>	1224
<u>network capable of download speeds of at least one hundred</u>	1225
<u>gigabits per second.</u>	1226
<u>(6) "Qualified business" means a business primarily</u>	1227
<u>engaged, or primarily organized to engage, in a trade or</u>	1228
<u>business that involves research and development, technology</u>	1229
<u>transfer, bio-technology, information technology, or the</u>	1230
<u>application of new technology developed through research and</u>	1231
<u>development or acquired through technology transfer.</u>	1232
<u>(7) "Information technology" means the branch of</u>	1233
<u>technology devoted to the study and application of data and the</u>	1234
<u>processing thereof; the automatic acquisition, storage,</u>	1235
<u>manipulation or transformation, management, movement, control,</u>	1236
<u>display, switching, interchange, transmission or reception of</u>	1237

data, and the development or use of hardware, software, 1238
firmware, and procedures associated with this processing. 1239
"Information technology" includes matters concerned with the 1240
furtherance of computer science and technology, design, 1241
development, installation, and implementation of information 1242
systems and applications that in turn will be licensed or sold 1243
to a specific target market. "Information technology" does not 1244
include the creation of a distribution method for existing 1245
products and services. 1246

(8) "Research and development" means designing, creating, 1247
or formulating new or enhanced products, equipment, or 1248
processes, and conducting scientific or technological inquiry 1249
and experimentation in the physical sciences with the goal of 1250
increasing scientific knowledge that may reveal the bases for 1251
new or enhanced products, equipment, or processes. 1252

(9) "Technology transfer" means the transfer of technology 1253
from one sector of the economy to another, including the 1254
transfer of military technology to civilian applications, 1255
civilian technology to military applications, or technology from 1256
public or private research laboratories to military or civilian 1257
applications. 1258

(B) For the purposes of promoting rehabilitation of 1259
historic buildings, creating jobs, and encouraging economic 1260
development in commercial and mixed-use commercial and 1261
residential areas, the legislative authority of a municipal 1262
corporation may adopt an ordinance creating a downtown 1263
redevelopment district and declaring improvements to parcels 1264
within the district to be a public purpose and exempt from 1265
taxation. Downtown redevelopment districts shall not be created 1266
in areas used exclusively for residential purposes and shall not 1267

be utilized for development or redevelopment of residential 1268
areas. 1269

The ordinance shall specify all of the following: 1270

(1) The boundary of the district; 1271

(2) The county treasurer's permanent parcel number 1272
associated with each parcel included in the district; 1273

(3) The parcel or parcels within the district that include 1274
a historic building that is being or will be rehabilitated; 1275

(4) The proposed life of the district; 1276

(5) An economic development plan for the district that 1277
includes all of the following: 1278

(a) A statement describing the principal purposes and 1279
goals to be served by creating the district; 1280

(b) An explanation of how the municipal corporation will 1281
collaborate with businesses and property owners within the 1282
district to develop strategies for achieving such purposes and 1283
goals; 1284

(c) A plan for using the service payments provided for in 1285
section 5709.46 of the Revised Code to promote economic 1286
development and job creation within the district. 1287

Not more than seventy per cent of improvements to parcels 1288
within a downtown redevelopment district may be exempted from 1289
taxation under this section. A district may not include a parcel 1290
that is or has been exempted from taxation under this section or 1291
section 5709.40 or 5709.41 of the Revised Code. Except as 1292
provided in division (E) of this section, the life of a downtown 1293
redevelopment district shall not exceed ten years. 1294

A municipal corporation may adopt more than one ordinance 1295
under division (B) of this section. A single such ordinance may 1296
create more than one downtown redevelopment district. 1297

(C) For the purposes of attracting and facilitating growth 1298
of qualified businesses and supporting the economic development 1299
efforts of business incubators and accelerators, the legislative 1300
authority of a municipal corporation may designate an innovation 1301
district within a proposed or existing downtown redevelopment 1302
district. The life of the innovation district shall be identical 1303
to the downtown redevelopment district in which the innovation 1304
district is located. In addition to the requirements in division 1305
(B) of this section, an ordinance creating a downtown 1306
redemption district that includes an innovation district 1307
shall specify all of the following: 1308

(1) The boundary of the innovation district; 1309

(2) The permanent parcel number associated with each 1310
parcel included in the innovation district; 1311

(3) An economic development plan for the innovation 1312
district that meets the criteria prescribed by division (B) (5) 1313
of this section. 1314

(D) At least thirty days before adopting an ordinance 1315
under division (B) of this section, the legislative authority of 1316
the municipal corporation shall conduct a public hearing on the 1317
proposed ordinance and the accompanying economic development 1318
plan. At least thirty days before the public hearing, the 1319
legislative authority shall give notice of the public hearing 1320
and the proposed ordinance by first class mail to every real 1321
property owner whose property is located within the boundaries 1322
of the proposed district that is the subject of the proposed 1323

ordinance. 1324

(E) Revenue derived from downtown redevelopment district 1325
service payments may be used by the municipal corporation for 1326
any of the following purposes: 1327

(1) To finance or support loans, deferred loans, or grants 1328
to owners of historic buildings within the downtown 1329
redevelopment district. Such loans or grants shall be awarded 1330
upon the condition that the loan or grant amount may be used by 1331
the owner only to rehabilitate the historic building. A 1332
municipal corporation that awards a loan or grant under this 1333
division shall develop a plan for tracking the loan or grant 1334
recipient's use of the loan or grant and monitoring the progress 1335
of the recipient's rehabilitation project. 1336

(2) To make contributions to a special improvement 1337
district for use under section 1710.14 of the Revised Code, to a 1338
community improvement corporation for use under section 1724.12 1339
of the Revised Code, or to a nonprofit corporation, as defined 1340
in section 1702.01 of the Revised Code, the primary purpose of 1341
which is redeveloping historic buildings and historic districts 1342
for use by the corporation to rehabilitate a historic building 1343
within the downtown redevelopment district or to otherwise 1344
promote or enhance the district. Amounts contributed under 1345
division (E)(2) of this section shall not exceed the property 1346
tax revenue that would have been generated by twenty per cent of 1347
the assessed value of the exempted improvements within the 1348
downtown redevelopment district. 1349

(3) To finance or support loans to owners of one or more 1350
buildings located within the district that do not qualify as 1351
historic buildings. Such loans shall be awarded upon the 1352
condition that the loan amount may be used by the owner only to 1353

make repairs and improvements to the building or buildings. A 1354
municipal corporation that awards a loan under this division 1355
shall develop a plan for tracking the loan recipient's use of 1356
the loan and monitoring the progress of the recipient's repairs 1357
or improvements. 1358

(4) To finance public infrastructure improvements within 1359
the downtown redevelopment district. If revenue generated by the 1360
downtown redevelopment district will be used to finance public 1361
infrastructure improvements, the economic development plan 1362
described by division (B) (5) of this section shall identify 1363
specific projects that are being or will be undertaken within 1364
the district and describe how such infrastructure improvements 1365
will accommodate additional demands on the existing 1366
infrastructure within the district. A municipal corporation 1367
shall not use service payments derived from a downtown 1368
redevelopment district to repair or replace police or fire 1369
equipment. 1370

(5) To finance or support loans, deferred loans, or grants 1371
to qualified businesses or to incubators and accelerators that 1372
provide services and capital to qualified businesses within an 1373
innovation district. Such loans or grants shall be awarded upon 1374
the condition that the loan or grant shall be used by the 1375
recipient to start or develop one or more qualified businesses 1376
within the innovation district. A municipal corporation that 1377
awards a loan or grant under this division shall develop a plan 1378
for tracking the loan or grant recipient's use of the loan or 1379
grant and monitoring the establishment and growth of the 1380
qualified business. 1381

(F) Notwithstanding division (B) of this section, 1382
improvements to parcels located within a downtown redevelopment 1383

district may be exempted from taxation under this section for up 1384
to thirty years if either of the following apply: 1385

(1) The ordinance creating the redevelopment district 1386
specifies that payments in lieu of taxes shall be paid to the 1387
city, local, or exempted village, and joint vocational school 1388
district or districts in which the redevelopment district is 1389
located in the amount of the taxes that would have been payable 1390
to the school district or districts if the improvements had not 1391
been exempted from taxation. 1392

(2) The municipal corporation creating the district 1393
obtains the approval under division (G) of this section of the 1394
board of education of each city, local, and exempted village 1395
school district within which the district will be located. 1396

(G) (1) The legislative authority of a municipal 1397
corporation seeking the approval of a school district for the 1398
purpose of division (G) (2) of this section shall send notice of 1399
the proposed ordinance to the school district not later than 1400
forty-five business days before it intends to adopt the 1401
ordinance. The notice shall include a copy of the proposed 1402
ordinance and shall indicate the date on which the legislative 1403
authority intends to adopt the ordinance. The board of education 1404
of the school district, by resolution adopted by a majority of 1405
the board, may do any of the following: 1406

(a) Approve the exemption for the number of years 1407
specified in the proposed ordinance; 1408

(b) Disapprove the exemption for the number of years in 1409
excess of ten; 1410

(c) Approve the exemption on the condition that the 1411
legislative authority and the board negotiate an agreement 1412

providing for compensation to the school district equal in value 1413
to a percentage of the amount of taxes exempted in the eleventh 1414
and subsequent years of the exemption period or other mutually 1415
agreeable compensation. If an agreement is negotiated under this 1416
division, the legislative authority shall compensate all joint 1417
vocational school districts within which the downtown 1418
redevelopment district is located at the same rate and under the 1419
same terms received by the city, local, or exempted village 1420
school district. 1421

(2) The board of education shall certify a resolution 1422
adopted under division (G)(1) of this section to the legislative 1423
authority of the municipal corporation not later than fourteen 1424
days before the date the legislative authority intends to adopt 1425
the ordinance as indicated in the notice. If the board of 1426
education approves the ordinance or negotiates a mutually 1427
acceptable compensation agreement with the legislative 1428
authority, the legislative authority may enact the ordinance in 1429
its current form. If the board disapproves of the ordinance and 1430
fails to negotiate a mutually acceptable compensation agreement 1431
with the legislative authority, the legislative authority may 1432
exempt improvements to parcels within the downtown redevelopment 1433
district for not more than ten years. If the board fails to 1434
certify a resolution to the legislative authority within the 1435
time prescribed by this division, the legislative authority may 1436
adopt the ordinance and may exempt improvements to parcels 1437
within the downtown redevelopment district for the period of 1438
time specified in the notice delivered to the board of 1439
education. The legislative authority may adopt the ordinance at 1440
any time after the board of education certifies its resolution 1441
approving the exemption to the legislative authority or, if the 1442
board approves the exemption on the condition that a mutually 1443

acceptable compensation agreement be negotiated, at any time 1444
after the compensation agreement is agreed to by the board and 1445
the legislative authority. 1446

(3) If a board of education has adopted a resolution 1447
waiving its right to approve exemptions from taxation under this 1448
section and the resolution remains in effect, approval of 1449
exemptions by the board is not required under division (G) of 1450
this section. If a board of education has adopted a resolution 1451
allowing a legislative authority to deliver the notice required 1452
under division (G) (1) of this section fewer than forty-five 1453
business days before the legislative authority's adoption of the 1454
ordinance, the legislative authority shall deliver the notice to 1455
the board not later than the number of days before such adoption 1456
as prescribed by the board in its resolution. If a board of 1457
education adopts a resolution waiving its right to approve 1458
agreements or shortening the notification period, the board 1459
shall certify a copy of the resolution to the legislative 1460
authority. If the board of education rescinds such a resolution, 1461
it shall certify notice of the rescission to the legislative 1462
authority. 1463

(4) If the legislative authority is not required by 1464
division (G) of this section to notify the board of education of 1465
the legislative authority's intent to create a downtown 1466
redevelopment district, the legislative authority shall comply 1467
with the notice requirements imposed under section 5709.83 of 1468
the Revised Code, unless the board has adopted a resolution 1469
under that section waiving its right to receive such a notice. 1470

(H) Service payments in lieu of taxes that are 1471
attributable to any amount by which the effective tax rate of 1472
either a renewal levy with an increase or a replacement levy 1473

exceeds the effective tax rate of the levy renewed or replaced, 1474
or that are attributable to an additional levy, for a levy 1475
authorized by the voters for any of the following purposes on or 1476
after January 1, 2006, and which are provided pursuant to an 1477
ordinance creating a downtown redevelopment district under 1478
division (B) of this section shall be distributed to the 1479
appropriate taxing authority as required under division (C) of 1480
section 5709.46 of the Revised Code in an amount equal to the 1481
amount of taxes from that additional levy or from the increase 1482
in the effective tax rate of such renewal or replacement levy 1483
that would have been payable to that taxing authority from the 1484
following levies were it not for the exemption authorized under 1485
division (B) of this section: 1486

(1) A tax levied under division (L) of section 5705.19 or 1487
section 5705.191 of the Revised Code for community mental 1488
retardation and developmental disabilities programs and services 1489
pursuant to Chapter 5126. of the Revised Code; 1490

(2) A tax levied under division (Y) of section 5705.19 of 1491
the Revised Code for providing or maintaining senior citizens 1492
services or facilities; 1493

(3) A tax levied under section 5705.22 of the Revised Code 1494
for county hospitals; 1495

(4) A tax levied by a joint-county district or by a county 1496
under section 5705.19, 5705.191, or 5705.221 of the Revised Code 1497
for alcohol, drug addiction, and mental health services or 1498
facilities; 1499

(5) A tax levied under section 5705.23 of the Revised Code 1500
for library purposes; 1501

(6) A tax levied under section 5705.24 of the Revised Code 1502

for the support of children services and the placement and care 1503
of children; 1504

(7) A tax levied under division (Z) of section 5705.19 of 1505
the Revised Code for the provision and maintenance of zoological 1506
park services and facilities under section 307.76 of the Revised 1507
Code; 1508

(8) A tax levied under section 511.27 or division (H) of 1509
section 5705.19 of the Revised Code for the support of township 1510
park districts; 1511

(9) A tax levied under division (A), (F), or (H) of 1512
section 5705.19 of the Revised Code for parks and recreational 1513
purposes of a joint recreation district organized pursuant to 1514
division (B) of section 755.14 of the Revised Code; 1515

(10) A tax levied under section 1545.20 or 1545.21 of the 1516
Revised Code for park district purposes; 1517

(11) A tax levied under section 5705.191 of the Revised 1518
Code for the purpose of making appropriations for public 1519
assistance; human or social services; public relief; public 1520
welfare; public health and hospitalization; and support of 1521
general hospitals; 1522

(12) A tax levied under section 3709.29 of the Revised 1523
Code for a general health district program. 1524

(I) An exemption from taxation granted under this section 1525
commences with the tax year specified in the ordinance so long 1526
as the year specified in the ordinance commences after the 1527
effective date of the ordinance. If the ordinance specifies a 1528
year commencing before the effective date of the ordinance or 1529
specifies no year whatsoever, the exemption commences with the 1530
tax year in which an exempted improvement first appears on the 1531

tax list and that commences after the effective date of the 1532
ordinance. In lieu of stating a specific year, the ordinance may 1533
provide that the exemption commences in the tax year in which 1534
the value of an improvement exceeds a specified amount or in 1535
which the construction of one or more improvements is completed, 1536
provided that such tax year commences after the effective date 1537
of the ordinance. 1538

Except as otherwise provided in this division, the 1539
exemption ends on the date specified in the ordinance as the 1540
date the improvement ceases to be a public purpose or the 1541
downtown redevelopment district expires, whichever occurs first. 1542
The exemption of an improvement within a downtown redevelopment 1543
district may end on a later date, as specified in the ordinance, 1544
if the legislative authority and the board of education of the 1545
city, local, or exempted village school district within which 1546
the parcel or district is located have entered into a 1547
compensation agreement under section 5709.82 of the Revised Code 1548
with respect to the improvement, and the board of education has 1549
approved the term of the exemption under division (G) of this 1550
section, but in no case shall the improvement be exempted from 1551
taxation for more than thirty years. Exemptions shall be claimed 1552
and allowed in the same manner as in the case of other real 1553
property exemptions. If an exemption status changes during a 1554
year, the procedure for the apportionment of the taxes for that 1555
year is the same as in the case of other changes in tax 1556
exemption status during the year. 1557

(J) Additional municipal financing of the projects and 1558
services described in division (E) of this section may be 1559
provided by any methods that the municipal corporation may 1560
otherwise use for financing such projects and services. If the 1561
municipal corporation issues bonds or notes to finance such 1562

projects and services and pledges money from the municipal 1563
downtown redevelopment district fund to pay the interest on and 1564
principal of the bonds or notes, the bonds or notes are not 1565
subject to Chapter 133. of the Revised Code. 1566

(K) The municipal corporation, not later than fifteen days 1567
after the adoption of an ordinance under this section, shall 1568
submit to the director of development services a copy of the 1569
ordinance. On or before the thirty-first day of March of each 1570
year, the municipal corporation shall submit a status report to 1571
the director of development services. The report shall indicate, 1572
in the manner prescribed by the director, the progress of the 1573
projects and services during each year that an exemption remains 1574
in effect, including a summary of the receipts from service 1575
payments in lieu of taxes; expenditures of money from the funds 1576
created under section 5709.47 of the Revised Code; a description 1577
of the projects and services financed with such expenditures; 1578
and a quantitative summary of changes in employment and private 1579
investment resulting from each project and service. 1580

(L) Nothing in this section shall be construed to prohibit 1581
a legislative authority from declaring to be a public purpose 1582
improvements with respect to more than one parcel. 1583

(M) (1) The owner of real property located in a downtown 1584
redevelopment district may enter into an agreement with the 1585
municipal corporation that created the district to impose a 1586
redevelopment charge on the property to cover all or part of the 1587
cost of services, facilities, and improvements provided within 1588
the district under division (E) of this section. The agreement 1589
shall include the following: 1590

(a) The amount of the redevelopment charge. The 1591
redevelopment charge may be a fixed dollar amount or an amount 1592

determined on the basis of the assessed valuation of the 1593
property or all or part of the profits, gross receipts, or other 1594
revenues of a business operating on the property, including 1595
rentals received from leases of the property. If the property is 1596
leased to one or more tenants, the redevelopment charge may be 1597
itemized as part of the lease rate. 1598

(b) The termination date of the redevelopment charge. The 1599
redevelopment charge shall not be charged after the expiration 1600
or termination of the downtown redevelopment district. 1601

(c) The terms by which the municipal corporation shall 1602
collect the redevelopment charge. 1603

(d) The purposes for which the redevelopment charge may be 1604
used by the municipal corporation. The redevelopment charge 1605
shall be used only for those purposes described by division (E) 1606
of this section. The agreement may specify any or all of such 1607
purposes. 1608

(2) Redevelopment charges collected by a municipal 1609
corporation under division (M) of this section shall be 1610
deposited to the municipal downtown redevelopment district fund 1611
created under section 5709.47 of the Revised Code. 1612

(3) An agreement by a property owner under division (M) of 1613
this section is hereby deemed to be a covenant running with the 1614
land. The covenant is fully binding on behalf of and enforceable 1615
by the municipal corporation against any person acquiring an 1616
interest in the land and all of that person's successors and 1617
assigns. 1618

(4) No purchase agreement for real estate or any interest 1619
in real estate upon which a redevelopment charge is levied shall 1620
be enforceable by the seller or binding upon the purchaser 1621

unless the purchase agreement specifically refers to the 1622
redevelopment charge. If a conveyance of such real estate or 1623
interest in such real estate is made pursuant to a purchase 1624
agreement that does not make such reference, the redevelopment 1625
charge shall continue to be a covenant running with the land 1626
fully binding on behalf of and enforceable by the municipal 1627
corporation against the person accepting the conveyance pursuant 1628
to the purchase agreement. 1629

(5) If a redevelopment charge is not paid when due, the 1630
overdue amount shall be collected according to the terms of the 1631
agreement. If the agreement does not specify a procedure for 1632
collecting overdue redevelopment charges, the municipal 1633
corporation may certify the charge to the county auditor. The 1634
county auditor shall enter the unpaid charge on the tax list and 1635
duplicate of real property opposite the parcel against which it 1636
is charged and certify the charge to the county treasurer. The 1637
unpaid redevelopment charge is a lien on property against which 1638
it is charged from the date the charge is entered on the tax 1639
list, and shall be collected in the manner provided for the 1640
collection of real property taxes. Once the charge is collected, 1641
it shall be paid immediately to the municipal corporation. 1642

Sec. 5709.46. (A) A municipal corporation that has 1643
declared an improvement to be a public purpose under section 1644
5709.45 of the Revised Code may require the owner of any 1645
structure located on the parcel to make annual service payments 1646
in lieu of taxes to the county treasurer on or before the final 1647
dates for payment of real property taxes. Each such payment 1648
shall be charged and collected in the same manner and in the 1649
same amount as the real property taxes that would have been 1650
charged and payable against the improvement if it were not 1651
exempt from taxation. If any reduction in the levies otherwise 1652

applicable to such exempt property is made by the county budget 1653
commission under section 5705.31 of the Revised Code, the amount 1654
of the service payment in lieu of taxes shall be calculated as 1655
if such reduction in levies had not been made. 1656

(B) Moneys collected as service payments in lieu of taxes 1657
from a parcel shall be distributed at the same time and in the 1658
same manner as real property tax payments. However, subject to 1659
division (C) of this section or section 5709.913 of the Revised 1660
Code, the entire amount so collected shall be distributed to the 1661
municipal corporation in which the parcel is located. If an 1662
ordinance adopted under section 5709.45 of the Revised Code 1663
specifies that service payments shall be paid to the city, 1664
local, or exempted village school district in which the parcel 1665
is located, the county treasurer shall distribute the portion of 1666
the service payments to that school district in an amount equal 1667
to the property tax payments the school district would have 1668
received from the portion of the parcel's improvement exempted 1669
from taxation had the improvement not been exempted, as directed 1670
in the ordinance. The treasurer shall maintain a record of the 1671
service payments in lieu of taxes made from property in each 1672
municipal corporation. 1673

(C) If annual service payments in lieu of taxes are 1674
required under this section, the county treasurer shall 1675
distribute to the appropriate taxing authorities the portion of 1676
the service payments that represents payments required under 1677
division (H) of section 5709.45 of the Revised Code. 1678

(D) Nothing in this section or section 5709.45 of the 1679
Revised Code affects the taxes levied against that portion of 1680
the value of any parcel of property that is not exempt from 1681
taxation. 1682

Sec. 5709.47. (A) A municipal corporation that grants a 1683
tax exemption or enters into a redevelopment charge agreement 1684
under section 5709.45 of the Revised Code shall establish a 1685
municipal downtown redevelopment district fund into which shall 1686
be deposited service payments in lieu of taxes distributed to 1687
the municipal corporation under section 5709.46 of the Revised 1688
Code and redevelopment charges collected pursuant to division 1689
(M) of section 5709.45 of the Revised Code. If an ordinance 1690
adopted under division (B) of section 5709.45 of the Revised 1691
Code or an agreement under division (M) of that section 1692
authorizes the use of service payments or redevelopment charges 1693
for more than one of the purposes described in division (E) of 1694
that section, the municipal corporation shall establish separate 1695
accounts for the service payments and redevelopment charges 1696
designated for each such purpose. Money in an account of the 1697
municipal downtown redevelopment district fund shall be used for 1698
the purposes described in the ordinance creating the downtown 1699
redevelopment district and the redevelopment charge agreements. 1700
The municipal corporation also may deposit into any of those 1701
accounts municipal income tax revenue that has been designated 1702
by ordinance to finance the public infrastructure improvements. 1703

(B) (1) A municipal corporation may distribute money in the 1704
municipal downtown redevelopment district fund to any school 1705
district in which the exempt property is located in an amount 1706
not to exceed the amount of real property taxes that such school 1707
district would have received from the improvement if it were not 1708
exempt from taxation, or use money in the fund to finance 1709
specific public improvements benefiting the school district. The 1710
resolution or ordinance establishing the fund shall set forth 1711
the percentage of such maximum amount that will be distributed 1712
to any affected school district or used to finance specific 1713

public improvements benefiting the school district. 1714

(2) A municipal corporation also may distribute money in 1715
the municipal downtown redevelopment district fund to a county 1716
in accordance with section 5709.913 of the Revised Code. 1717

(C) Any incidental surplus remaining in the municipal 1718
downtown redevelopment district fund or an account of that fund 1719
upon dissolution of the fund or account shall be transferred to 1720
the general fund of the municipal corporation. 1721

Sec. 5709.82. (A) As used in this section: 1722

(1) "New employee" means both of the following: 1723

(a) Persons employed in the construction of real property 1724
exempted from taxation under the chapters or sections of the 1725
Revised Code enumerated in division (B) of this section; 1726

(b) Persons not described by division (A)(1)(a) of this 1727
section who are first employed at the site of such property and 1728
who within the two previous years have not been subject, prior 1729
to being employed at that site, to income taxation by the 1730
municipal corporation within whose territory the site is located 1731
on income derived from employment for the person's current 1732
employer. "New employee" does not include any person who 1733
replaces a person who is not a new employee under division (A) 1734
(1) of this section. 1735

(2) "Infrastructure costs" means costs incurred by a 1736
municipal corporation in a calendar year to acquire, construct, 1737
reconstruct, improve, plan, or equip real or tangible personal 1738
property that directly benefits or will directly benefit the 1739
exempted property. If the municipal corporation finances the 1740
acquisition, construction, reconstruction, improvement, 1741
planning, or equipping of real or tangible personal property 1742

that directly benefits the exempted property by issuing debt, 1743
"infrastructure costs" means the annual debt charges incurred by 1744
the municipal corporation from the issuance of such debt. Real 1745
or tangible personal property directly benefits exempted 1746
property only if the exempted property places or will place 1747
direct, additional demand on the real or tangible personal 1748
property for which such costs were or will be incurred. 1749

(3) "Taxing unit" has the same meaning as in division (H) 1750
of section 5705.01 of the Revised Code. 1751

(B) (1) Except as otherwise provided under division (C) of 1752
this section, the legislative authority of any political 1753
subdivision that has acted under the authority of Chapter 725. 1754
or 1728., sections 3735.65 to 3735.70, or section 5709.40, 1755
5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 1756
5709.84, or 5709.88 of the Revised Code to grant an exemption 1757
from taxation for real or tangible personal property may 1758
negotiate with the board of education of each city, local, 1759
exempted village, or joint vocational school district or other 1760
taxing unit within the territory of which the exempted property 1761
is located, and enter into an agreement whereby the school 1762
district or taxing unit is compensated for tax revenue foregone 1763
by the school district or taxing unit as a result of the 1764
exemption. Except as otherwise provided in division (B) (1) of 1765
this section, if a political subdivision enters into more than 1766
one agreement under this section with respect to a tax 1767
exemption, the political subdivision shall provide to each 1768
school district or taxing unit with which it contracts the same 1769
percentage of tax revenue foregone by the school district or 1770
taxing unit, which may be based on a good faith projection made 1771
at the time the exemption is granted. Such percentage shall be 1772
calculated on the basis of amounts paid by the political 1773

subdivision and any amounts paid by an owner under division (B) 1774
(2) of this section. A political subdivision may provide a 1775
school district or other taxing unit with a smaller percentage 1776
of foregone tax revenue than that provided to other school 1777
districts or taxing units only if the school district or taxing 1778
unit expressly consents in the agreement to receiving a smaller 1779
percentage. If a subdivision has acted under the authority of 1780
section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 1781
Revised Code and enters into a compensation agreement with a 1782
city, local, or exempted village school district, the 1783
subdivision shall provide compensation to the joint vocational 1784
school district within the territory of which the exempted 1785
property is located at the same rate and under the same terms as 1786
received by the city, local, or exempted village school 1787
district. 1788

(2) An owner of property exempted from taxation under the 1789
authority described in division (B)(1) of this section may, by 1790
becoming a party to an agreement described in division (B)(1) of 1791
this section or by entering into a separate agreement with a 1792
school district or other taxing unit, agree to compensate the 1793
school district or taxing unit by paying cash or by providing 1794
property or services by gift, loan, or otherwise. If the owner's 1795
property is exempted under the authority of section 5709.40, 1796
5709.41, 5709.45, 5709.73, or 5709.78 of the Revised Code and 1797
the owner enters into a compensation agreement with a city, 1798
local, or exempted village school district, the owner shall 1799
provide compensation to the joint vocational school district 1800
within the territory of which the owner's property is located at 1801
the same rate and under the same terms as received by the city, 1802
local, or exempted village school district. 1803

(C) This division does not apply to the following: 1804

(1) The legislative authority of a municipal corporation 1805
that has acted under the authority of division (H) of section 1806
715.70 or section 715.81 of the Revised Code to consent to the 1807
granting of an exemption from taxation for real or tangible 1808
personal property in a joint economic development district. 1809

(2) The legislative authority of a municipal corporation 1810
that has specified in an ordinance adopted under section 5709.40 1811
~~or, 5709.41, or 5709.45~~ of the Revised Code that payments in 1812
lieu of taxes provided for under section 5709.42 or 5709.46 of 1813
the Revised Code shall be paid to the city, local, or exempted 1814
village school district in which the improvements are located in 1815
the amount of taxes that would have been payable to the school 1816
district if the improvements had not been exempted from 1817
taxation, as directed in the ordinance. 1818

If the legislative authority of any municipal corporation 1819
has acted under the authority of Chapter 725. or 1728. or 1820
section 3735.671, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 1821
5709.632, or 5709.88, or a housing officer under section 3735.67 1822
of the Revised Code, to grant or consent to the granting of an 1823
exemption from taxation for real or tangible personal property 1824
on or after July 1, 1994, the municipal corporation imposes a 1825
tax on incomes, and the payroll of new employees resulting from 1826
the exercise of that authority equals or exceeds one million 1827
dollars in any tax year for which such property is exempted, the 1828
legislative authority and the board of education of each city, 1829
local, or exempted village school district within the territory 1830
of which the exempted property is located shall attempt to 1831
negotiate an agreement providing for compensation to the school 1832
district for all or a portion of the tax revenue the school 1833
district would have received had the property not been exempted 1834
from taxation. The agreement may include as a party the owner of 1835

the property exempted or to be exempted from taxation and may 1836
include provisions obligating the owner to compensate the school 1837
district by paying cash or providing property or services by 1838
gift, loan, or otherwise. Such an obligation is enforceable by 1839
the board of education of the school district pursuant to the 1840
terms of the agreement. 1841

If the legislative authority and board of education fail 1842
to negotiate an agreement that is mutually acceptable within six 1843
months of formal approval by the legislative authority of the 1844
instrument granting the exemption, the legislative authority 1845
shall compensate the school district in the amount and manner 1846
prescribed by division (D) of this section. 1847

(D) Annually, the legislative authority of a municipal 1848
corporation subject to this division shall pay to the city, 1849
local, or exempted village school district within the territory 1850
of which the exempted property is located an amount equal to 1851
fifty per cent of the difference between the amount of taxes 1852
levied and collected by the municipal corporation on the incomes 1853
of new employees in the calendar year ending on the day the 1854
payment is required to be made, and the amount of any 1855
infrastructure costs incurred in that calendar year. For 1856
purposes of such computation, the amount of infrastructure costs 1857
shall not exceed thirty-five per cent of the amount of those 1858
taxes unless the board of education of the school district, by 1859
resolution adopted by a majority of the board, approves an 1860
amount in excess of that percentage. If the amount of those 1861
taxes or infrastructure costs must be estimated at the time the 1862
payment is made, payments in subsequent years shall be adjusted 1863
to compensate for any departure of those estimates from the 1864
actual amount of those taxes. 1865

A municipal corporation required to make a payment under 1866
this section shall make the payment from its general fund or a 1867
special fund established for the purpose. The payment is payable 1868
on the thirty-first day of December of the tax year for or in 1869
which the exemption from taxation commences and on that day for 1870
each subsequent tax year property is exempted and the 1871
legislative authority and board fail to negotiate an acceptable 1872
agreement under division (C) of this section. 1873

Sec. 5709.83. (A) Except as otherwise provided in division 1874
(B) or (C) of this section, prior to taking formal action to 1875
adopt or enter into any instrument granting a tax exemption 1876
under section 725.02, 1728.06, 5709.40, 5709.41, 5709.45, 1877
5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 5709.84, or 1878
5709.88 of the Revised Code or formally approving an agreement 1879
under section 3735.671 of the Revised Code, or prior to 1880
forwarding an application for a tax exemption for residential 1881
property under section 3735.67 of the Revised Code to the county 1882
auditor, the legislative authority of the political subdivision 1883
or housing officer shall notify the board of education of each 1884
city, local, exempted village, or joint vocational school 1885
district in which the proposed tax-exempted property is located. 1886
The notice shall include a copy of the instrument or 1887
application. The notice shall be delivered not later than 1888
fourteen days prior to the day the legislative authority takes 1889
formal action to adopt or enter into the instrument, or not 1890
later than fourteen days prior to the day the housing officer 1891
forwards the application to the county auditor. If the board of 1892
education comments on the instrument or application to the 1893
legislative authority or housing officer, the legislative 1894
authority or housing officer shall consider the comments. If the 1895
board of education of the city, local, exempted village, or 1896

joint vocational school district so requests, the legislative 1897
authority or the housing officer shall meet in person with a 1898
representative designated by the board of education to discuss 1899
the terms of the instrument or application. 1900

(B) The notice otherwise required to be provided to boards 1901
of education under division (A) of this section is not required 1902
if the board has adopted a resolution waiving its right to 1903
receive such notices, and that resolution remains in effect. If 1904
a board of education adopts such a resolution, the board shall 1905
cause a copy of the resolution to be certified to the 1906
legislative authority. If the board of education rescinds such a 1907
resolution, it shall certify notice of the rescission to the 1908
legislative authority. A board of education may adopt such a 1909
resolution with respect to any one or more counties, townships, 1910
or municipal corporations situated in whole or in part within 1911
the school district. 1912

(C) If a legislative authority is required to provide 1913
notice to a city, local, or exempted village school district of 1914
its intent to grant such an exemption as required by section 1915
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 1916
Code, the legislative authority, before adopting a resolution or 1917
ordinance under that section, shall notify the board of 1918
education of each joint vocational school district in which the 1919
property to be exempted is located using the same time 1920
requirements for the notice that applies to notices to city, 1921
local, and exempted village school districts. The content of the 1922
notice and procedures for responding to the notice are the same 1923
as required in division (A) of this section. 1924

Sec. 5709.831. (A) As used in this section: 1925

(1) "Exempted improvements" means improvements exempted 1926

from taxation under section 5709.40, 5709.41, 5709.45, 5709.73, 1927
or 5709.78 of the Revised Code. 1928

(2) "Political subdivision" means the county, township, or 1929
municipal corporation granting an exemption from taxation under 1930
section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 1931
Revised Code. 1932

(B) The legislative authority of a political subdivision 1933
that grants an exemption from taxation for an improvement under 1934
section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 1935
Revised Code may require the owner of the improvement to 1936
reimburse the local taxing authorities within whose taxing 1937
jurisdiction the exempted improvement is located for the amount 1938
of real property taxes that would have been payable to the 1939
taxing authorities had the improvement not been exempted from 1940
taxation. If the legislative authority requires the owner of the 1941
exempted improvements to make payments in lieu of taxes, the 1942
legislative authority may require such reimbursement only to the 1943
extent that the owner failed to make those payments as required. 1944
The legislative authority may secure any reimbursement 1945
authorized by this section by a lien on the exempted property, 1946
which shall attach, and may be perfected, collected, and 1947
enforced, in the same manner as a mortgage lien on real 1948
property, and which shall otherwise have the same force and 1949
effect as a mortgage lien on real property. 1950

Sec. 5709.832. The legislative authority of a county, 1951
township, or municipal corporation that grants an exemption from 1952
taxation under Chapter 725. or 1728. or section 3735.67, 1953
5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 1954
or 5709.78 of the Revised Code shall develop policies to ensure 1955
that the recipient of the exemption practices nondiscriminatory 1956

hiring in its operations. As used in this section, 1957
"nondiscriminatory hiring" means that no individual may be 1958
denied employment solely on the basis of race, religion, sex, 1959
disability, color, national origin, or ancestry. 1960

Sec. 5709.85. (A) The legislative authority of a county, 1961
township, or municipal corporation that grants an exemption from 1962
taxation under Chapter 725. or 1728. or under section 3735.67, 1963
5709.28, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 1964
5709.73, or 5709.78 of the Revised Code shall create a tax 1965
incentive review council. The council shall consist of the 1966
following members: 1967

(1) In the case of a municipal corporation eligible to 1968
designate a zone under section 5709.62 of the Revised Code, the 1969
chief executive officer or that officer's designee; a member of 1970
the legislative authority of the municipal corporation, 1971
appointed by the president of the legislative authority or, if 1972
the chief executive officer of the municipal corporation is the 1973
president, appointed by the president pro tempore of the 1974
legislative authority; the county auditor or the county 1975
auditor's designee; the chief financial officer of the municipal 1976
corporation or that officer's designee; an individual appointed 1977
by the board of education of each city, local, exempted village, 1978
and joint vocational school district to which the instrument 1979
granting the exemption applies; and two members of the public 1980
appointed by the chief executive officer of the municipal 1981
corporation with the concurrence of the legislative authority. 1982
At least four members of the council shall be residents of the 1983
municipal corporation, and at least one of the two public 1984
members appointed by the chief executive officer shall be a 1985
minority. As used in division (A)(1) of this section, a 1986
"minority" is an individual who is African-American, Hispanic, 1987

or Native American. 1988

(2) In the case of a county or a municipal corporation 1989
that is not eligible to designate a zone under section 5709.62 1990
or 5709.632 of the Revised Code, three members appointed by the 1991
board of county commissioners; two members from each municipal 1992
corporation to which the instrument granting the tax exemption 1993
applies, appointed by the chief executive officer with the 1994
concurrence of the legislative authority of the respective 1995
municipal corporations; two members of each township to which 1996
the instrument granting the tax exemption applies, appointed by 1997
the board of township trustees of the respective townships; the 1998
county auditor or the county auditor's designee; and an 1999
individual appointed by the board of education of each city, 2000
local, exempted village, and joint vocational school district to 2001
which the instrument granting the tax exemption applies. At 2002
least two members of the council shall be residents of the 2003
municipal corporations or townships to which the instrument 2004
granting the tax exemption applies. 2005

(3) In the case of a township in which improvements are 2006
declared a public purpose under section 5709.73 of the Revised 2007
Code, the board of township trustees; the county auditor or the 2008
county auditor's designee; and an individual appointed by the 2009
board of education of each city, local, exempted village, and 2010
joint vocational school district to which the instrument 2011
granting the exemption applies. 2012

(B) The county auditor or the county auditor's designee 2013
shall serve as the chairperson of the council. The council shall 2014
meet at the call of the chairperson. At the first meeting of the 2015
council, the council shall select a vice-chairperson. Attendance 2016
by a majority of the members of the council constitutes a quorum 2017

to conduct the business of the council. 2018

(C)(1) Annually, the tax incentive review council shall 2019
review all agreements granting exemptions from property taxation 2020
under Chapter 725. or 1728. or under section 3735.671, 5709.28, 2021
5709.62, 5709.63, or 5709.632 of the Revised Code, and any 2022
performance or audit reports required to be submitted pursuant 2023
to those agreements. The review shall include agreements 2024
granting such exemptions that were entered into prior to July 2025
22, 1994, that continue to be in force and applicable to the 2026
current year's property taxes. 2027

With respect to each agreement, other than an agreement 2028
entered into under section 5709.28 of the Revised Code, the 2029
council shall determine whether the owner of the exempted 2030
property has complied with the agreement, and may take into 2031
consideration any fluctuations in the business cycle unique to 2032
the owner's business. 2033

With respect to an agreement entered into under section 2034
5709.28 of the Revised Code, the council shall consist of the 2035
members described in division (A)(2) of this section and shall 2036
determine whether the agreement complies with the requirements 2037
of section 5709.28 of the Revised Code and whether a withdrawal, 2038
removal, or conversion of land from an agricultural security 2039
area established under Chapter 931. of the Revised Code has 2040
occurred in a manner that makes the exempted property no longer 2041
eligible for the exemption. 2042

On the basis of the determinations, on or before the first 2043
day of September of each year, the council shall submit to the 2044
legislative authority written recommendations for continuation, 2045
modification, or cancellation of each agreement. 2046

(2) Annually, the tax incentive review council shall 2047
review all exemptions from property taxation resulting from the 2048
declaration of public purpose improvements pursuant to section 2049
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 2050
Code. The review shall include such exemptions that were granted 2051
prior to July 22, 1994, that continue to be in force and 2052
applicable to the current year's property taxes. With respect to 2053
each improvement for which an exemption is granted, the council 2054
shall determine the increase in the true value of parcels of 2055
real property on which improvements have been undertaken as a 2056
result of the exemption; the value of improvements exempted from 2057
taxation as a result of the exemption; and the number of new 2058
employees or employees retained on the site of the improvement 2059
as a result of the exemption. 2060

Upon the request of a tax incentive review council, the 2061
county auditor, the housing officer appointed pursuant to 2062
section 3735.66 of the Revised Code, the owner of a new or 2063
remodeled structure or improvement, and the legislative 2064
authority of the county, township, or municipal corporation 2065
granting the exemption shall supply the council with any 2066
information reasonably necessary for the council to make the 2067
determinations required under division (C) of this section, 2068
including returns or reports filed pursuant to sections 5711.02, 2069
5711.13, and 5727.08 of the Revised Code. 2070

(D) Annually, the tax incentive review council shall 2071
review the compliance of each recipient of a tax exemption under 2072
Chapter 725. or 1728. or section 3735.67, 5709.40, 5709.41, 2073
5709.45, 5709.62, 5709.63, 5709.632, 5709.73, or 5709.78 of the 2074
Revised Code with the nondiscriminatory hiring policies 2075
developed by the county, township, or municipal corporation 2076
under section 5709.832 of the Revised Code. Upon the request of 2077

the council, the recipient shall provide the council any 2078
information necessary to perform its review. On the basis of its 2079
review, the council may submit to the legislative authority 2080
written recommendations for enhancing compliance with the 2081
nondiscriminatory hiring policies. 2082

(E) A legislative authority that receives from a tax 2083
incentive review council written recommendations under division 2084
(C) (1) or (D) of this section shall, within sixty days after 2085
receipt, hold a meeting and vote to accept, reject, or modify 2086
all or any portion of the recommendations. 2087

(F) A tax incentive review council may request from the 2088
recipient of a tax exemption under Chapter 725. or 1728. or 2089
section 3735.67, 5709.28, 5709.40, 5709.41, 5709.45, 5709.62, 2090
5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code any 2091
information reasonably necessary for the council to perform its 2092
review under this section. The request shall be in writing and 2093
shall be sent to the recipient by certified mail. Within ten 2094
days after receipt of the request, the recipient shall provide 2095
to the council the information requested. 2096

Sec. 5709.91. Service payments in lieu of taxes required 2097
under sections 725.04, 5709.42, 5709.46, 5709.74, and 5709.79 of 2098
the Revised Code, minimum service payment obligations, and 2099
service charges in lieu of taxes required under sections 1728.11 2100
and 1728.111 of the Revised Code, shall be treated in the same 2101
manner as taxes for all purposes of the lien described in 2102
section 323.11 of the Revised Code, including, but not limited 2103
to, the priority and enforcement of the lien and the collection 2104
of the service payments, minimum service payment obligations, or 2105
service charges secured by the lien. For the purposes of this 2106
section, a "minimum service payment obligation" is an 2107

obligation, including a contingent obligation, for a person to 2108
make a payment to a county, township, or municipal corporation 2109
to ensure sufficient funds to finance public infrastructure 2110
improvements or, if applicable, housing renovations, pursuant to 2111
an agreement between that person and the county, township, or 2112
municipal corporation for the purposes of sections 5709.40 to 2113
5709.43, 5709.45 to 5709.47, 5709.73 to 5709.75, or 5709.77 to 2114
5709.81 of the Revised Code. 2115

Sec. 5709.911. (A) (1) A municipal corporation, township, 2116
or county that has enacted an ordinance or resolution under 2117
section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 2118
Revised Code or that has entered into an agreement referred to 2119
in section 725.02 or 1728.07 of the Revised Code may file an 2120
application for exemption under those sections in the same 2121
manner as other real property tax exemptions, notwithstanding 2122
the indication in division (A) of section 5715.27 of the Revised 2123
Code that the owner of the property may file the application. 2124

(2) Except as provided in division (B) of this section, if 2125
the application for exemption under section 725.02, 1728.10, 2126
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 2127
Code is filed by a municipal corporation, township, or county 2128
and more than one real property tax exemption applies by law to 2129
the property or a portion of the property, both of the following 2130
apply: 2131

(a) An exemption granted under section 725.02, 1728.10, 2132
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 2133
Code shall be subordinate to an exemption with respect to the 2134
property or portion of the property granted under any other 2135
provision of the Revised Code. 2136

(b) Neither service payments in lieu of taxes under 2137

section 725.04, 5709.42, 5709.46, 5709.74, or 5709.79 of the 2138
Revised Code, nor service charges in lieu of taxes under section 2139
1728.11 or 1728.111 of the Revised Code, shall be required with 2140
respect to the property or portion of the property that is 2141
exempt from real property taxes under that other provision of 2142
the Revised Code during the effective period of the exemption. 2143

(B) (1) If the application for exemption under section 2144
725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 2145
of the Revised Code is filed by the owner of the property or by 2146
a municipal corporation, township, or county with the owner's 2147
written consent attached to the application, and if more than 2148
one real property tax exemption applies by law to the property 2149
or a portion of the property, no other exemption shall be 2150
granted for the portion of the property already exempt under 2151
section 725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 2152
5709.78 of the Revised Code unless the municipal corporation, 2153
township, or county that enacted the authorizing ordinance or 2154
resolution for the earlier exemption provides its duly 2155
authorized written consent to the subsequent exemption by means 2156
of a duly enacted ordinance or resolution. 2157

(2) If the application for exemption under section 725.02, 2158
1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 2159
Revised Code is filed by a municipal corporation, township, or 2160
county and approved by the tax commissioner, if the owner of the 2161
property subsequently provides written consent to the exemption 2162
and the consent is filed with the tax commissioner, and if more 2163
than one real property tax exemption applies by law to the 2164
property or a portion of the property, no other exemption shall 2165
be granted for the portion of the property already exempt under 2166
section 725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 2167
5709.78 of the Revised Code unless the municipal corporation, 2168

township, or county that enacted the authorizing ordinance or 2169
resolution for the earlier exemption provides its duly 2170
authorized written consent to the subsequent exemption by means 2171
of a duly enacted ordinance or resolution. 2172

(C) (1) After the tax commissioner has approved or 2173
partially approved an application for exemption filed by or with 2174
the consent of a property owner under the circumstances 2175
described in division (B) (1) of this section, the municipal 2176
corporation, township, county, or property owner shall file a 2177
notice with the county recorder for the county in which the 2178
property is located that clearly identifies the property and the 2179
owner of the property and states that the property, regardless 2180
of future use or ownership, remains liable for any service 2181
payments or service charges required by the exemption until the 2182
terms of the exemption have been satisfied, unless the municipal 2183
corporation, township, or county consents to the subsequent 2184
exemption and relinquishes its right to collect the service 2185
payments or service charges as provided in division (B) (1) of 2186
this section. The county recorder's office shall charge a fee of 2187
fourteen dollars to record the notice, the proceeds of which 2188
shall be retained by the county. 2189

(2) If a property owner subsequently provides written 2190
consent to an exemption under the circumstances described in 2191
division (B) (2) of this section, the municipal corporation, 2192
township, county, or property owner shall file notice with the 2193
county recorder for the county in which the property is located 2194
that clearly identifies the property and the owner of the 2195
property and states that the property, regardless of future use 2196
or ownership, remains liable for any service payments or service 2197
charges required by the exemption until the terms of the 2198
exemption have been satisfied, unless the municipal corporation, 2199

township, or county consents to the subsequent exemption and 2200
relinquishes its right to collect the service payments or 2201
service charges as provided in division (B) (2) of this section. 2202
The county recorder's office shall charge a fee of fourteen 2203
dollars to record the notice, the proceeds of which shall be 2204
retained by the county. 2205

(D) Upon filing of the notice with the county recorder, 2206
the provisions of division (B) of this section are binding on 2207
all future owners of the property or portion of the property, 2208
regardless of how the property is used. Failure to file the 2209
notice with the county recorder relieves future owners of the 2210
property from the obligation to make service payments in lieu of 2211
taxes under section 725.04, 5709.42, 5709.46, 5709.74, or 2212
5709.79 of the Revised Code or service charges in lieu of taxes 2213
under section 1728.11 or 1728.111 of the Revised Code, if the 2214
property or a portion of the property later qualifies for 2215
exemption under any other provision of the Revised Code. Failure 2216
to file the notice does not, however, relieve the owner of the 2217
property, at the time the application for exemption is filed, 2218
from making those payments or charges. 2219

Sec. 5709.913. (A) As used in this section: 2220

(1) "Base real property" means the land, structures and 2221
buildings, or portions of structures and buildings, that 2222
existed, and in the condition in which they existed, for the tax 2223
year in which the ordinance or resolution creating the incentive 2224
district referred to in division (B) of this section was enacted 2225
or adopted, as reflected in the exempt tax list or the general 2226
tax list and duplicate of real and public utility property. 2227

(2) "Sexennial reappraisal and triennial update" means the 2228
reappraisal and update referred to in section 5715.24 of the 2229

Revised Code.	2230
(B) This section applies to any parcel of real property	2231
that is located within an incentive district created by a	2232
municipal corporation or township under section 5709.40 or	2233
5709.73 of the Revised Code <u>or within a downtown redevelopment</u>	2234
<u>district created by a municipal corporation under section</u>	2235
<u>5709.45 of the Revised Code,</u> and concerning which the municipal	2236
corporation or township applied for an exemption from taxation	2237
on behalf of the property owner under section 5709.911 of the	2238
Revised Code.	2239
(C) Each time a county auditor's sexennial reappraisal or	2240
triennial update of the assessed value of a parcel of real	2241
property to which this section applies results in an increase in	2242
such assessed value, the county auditor shall determine the	2243
following amounts:	2244
(1) The amount of the increase in assessed value that is	2245
attributable to the base real property;	2246
(2) The amount determined under division (C) (1) of this	2247
section multiplied by the percentage of improvements in the	2248
incentive district to be exempted from taxation under section	2249
5709.40, <u>5709.45,</u> or 5709.73 of the Revised Code, as applicable;	2250
(3) The product of the amount calculated under division	2251
(C) (2) of this section multiplied by the rate of the taxes	2252
levied by the county within the ten-mill limitation the proceeds	2253
of which are deposited in the county general fund;	2254
(4) The product of the amount calculated under division	2255
(C) (3) of this section multiplied by one-half.	2256
(D) For any tax year that the owner of a parcel of real	2257
property referred to in division (B) of this section is required	2258

to make service payments in lieu of taxes under section 5709.42, 2259
5709.46, or 5709.74 of the Revised Code, a portion of the total 2260
amount of payments made for the year equal to the amount 2261
calculated under division (C) (4) of this section shall be 2262
distributed to the county treasury to the credit of the county 2263
general fund in lieu of distribution to the municipal public 2264
improvement tax increment equivalent fund, municipal downtown 2265
redevelopment district fund, or the township public improvement 2266
tax increment equivalent fund, as applicable. If the service 2267
payments for the year are paid in two installments, the required 2268
distribution to the county treasury also shall be made in two 2269
installments. 2270

(E) (1) Division (D) of this section does not apply if the 2271
municipal corporation or township enters into an agreement with 2272
the county that provides that such division does not apply. The 2273
agreement may provide for payments to the county by the 2274
municipal corporation or township. 2275

(2) Upon entering into an agreement under division (E) (1) 2276
of this section, the municipal corporation or township shall 2277
provide written notice of it to the county auditor of the county 2278
that is a party to the agreement and the tax commissioner. 2279

(F) With respect to a parcel of real property to which 2280
this section applies, the tax commissioner shall notify the 2281
county auditor of the county in which the parcel is located when 2282
a municipal corporation or township has applied for an exemption 2283
from taxation on behalf of the property owner and the exemption 2284
has been granted under section 5715.27 of the Revised Code. 2285

Sec. 5715.27. (A) (1) Except as provided in division (A) (2) 2286
of this section and in section 3735.67 of the Revised Code, the 2287
owner, a vendee in possession under a purchase agreement or a 2288

land contract, the beneficiary of a trust, or a lessee for an 2289
initial term of not less than thirty years of any property may 2290
file an application with the tax commissioner, on forms 2291
prescribed by the commissioner, requesting that such property be 2292
exempted from taxation and that taxes, interest, and penalties 2293
be remitted as provided in division (C) of section 5713.08 of 2294
the Revised Code. 2295

(2) If the property that is the subject of the application 2296
for exemption is any of the following, the application shall be 2297
filed with the county auditor of the county in which the 2298
property is listed for taxation: 2299

(a) A public road or highway; 2300

(b) Property belonging to the federal government of the 2301
United States; 2302

(c) Additions or other improvements to an existing 2303
building or structure that belongs to the state or a political 2304
subdivision, as defined in section 5713.081 of the Revised Code, 2305
and that is exempted from taxation as property used exclusively 2306
for a public purpose; 2307

(d) Property of the boards of trustees and of the housing 2308
commissions of the state universities, the northeastern Ohio 2309
universities college of medicine, and of the state to be 2310
exempted under section 3345.17 of the Revised Code. 2311

(B) The board of education of any school district may 2312
request the tax commissioner or county auditor to provide it 2313
with notification of applications for exemption from taxation 2314
for property located within that district. If so requested, the 2315
commissioner or auditor shall send to the board on a monthly 2316
basis reports that contain sufficient information to enable the 2317

board to identify each property that is the subject of an 2318
exemption application, including, but not limited to, the name 2319
of the property owner or applicant, the address of the property, 2320
and the auditor's parcel number. The commissioner or auditor 2321
shall mail the reports by the fifteenth day of the month 2322
following the end of the month in which the commissioner or 2323
auditor receives the applications for exemption. 2324

(C) A board of education that has requested notification 2325
under division (B) of this section may, with respect to any 2326
application for exemption of property located in the district 2327
and included in the commissioner's or auditor's most recent 2328
report provided under that division, file a statement with the 2329
commissioner or auditor and with the applicant indicating its 2330
intent to submit evidence and participate in any hearing on the 2331
application. The statements shall be filed prior to the first 2332
day of the third month following the end of the month in which 2333
that application was docketed by the commissioner or auditor. A 2334
statement filed in compliance with this division entitles the 2335
district to submit evidence and to participate in any hearing on 2336
the property and makes the district a party for purposes of 2337
sections 5717.02 to 5717.04 of the Revised Code in any appeal of 2338
the commissioner's or auditor's decision to the board of tax 2339
appeals. 2340

(D) The commissioner or auditor shall not hold a hearing 2341
on or grant or deny an application for exemption of property in 2342
a school district whose board of education has requested 2343
notification under division (B) of this section until the end of 2344
the period within which the board may submit a statement with 2345
respect to that application under division (C) of this section. 2346
The commissioner or auditor may act upon an application at any 2347
time prior to that date upon receipt of a written waiver from 2348

each such board of education, or, in the case of exemptions 2349
authorized by section 725.02, 1728.10, 5709.40, 5709.41, 2350
5709.411, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 2351
5709.84, or 5709.88 of the Revised Code, upon the request of the 2352
property owner. Failure of a board of education to receive the 2353
report required in division (B) of this section shall not void 2354
an action of the commissioner or auditor with respect to any 2355
application. The commissioner or auditor may extend the time for 2356
filing a statement under division (C) of this section. 2357

(E) A complaint may also be filed with the commissioner or 2358
auditor by any person, board, or officer authorized by section 2359
5715.19 of the Revised Code to file complaints with the county 2360
board of revision against the continued exemption of any 2361
property granted exemption by the commissioner or auditor under 2362
this section. 2363

(F) An application for exemption and a complaint against 2364
exemption shall be filed prior to the thirty-first day of 2365
December of the tax year for which exemption is requested or for 2366
which the liability of the property to taxation in that year is 2367
requested. The commissioner or auditor shall consider such 2368
application or complaint in accordance with procedures 2369
established by the commissioner, determine whether the property 2370
is subject to taxation or exempt therefrom, and, if the 2371
commissioner makes the determination, certify the determination 2372
to the auditor. Upon making the determination or receiving the 2373
commissioner's determination, the auditor shall correct the tax 2374
list and duplicate accordingly. If a tax certificate has been 2375
sold under section 5721.32 or 5721.33 of the Revised Code with 2376
respect to property for which an exemption has been requested, 2377
the tax commissioner or auditor shall also certify the findings 2378
to the county treasurer of the county in which the property is 2379

located. 2380

(G) Applications and complaints, and documents of any kind 2381
related to applications and complaints, filed with the tax 2382
commissioner or county auditor under this section are public 2383
records within the meaning of section 149.43 of the Revised 2384
Code. 2385

(H) If the commissioner or auditor determines that the use 2386
of property or other facts relevant to the taxability of 2387
property that is the subject of an application for exemption or 2388
a complaint under this section has changed while the application 2389
or complaint was pending, the commissioner or auditor may make 2390
the determination under division (F) of this section separately 2391
for each tax year beginning with the year in which the 2392
application or complaint was filed or the year for which 2393
remission of taxes under division (C) of section 5713.08 of the 2394
Revised Code was requested, and including each subsequent tax 2395
year during which the application or complaint is pending before 2396
the commissioner or auditor. 2397

Section 2. That existing sections 133.04, 133.06, 709.024, 2398
709.19, 3317.021, 5501.311, 5709.12, 5709.82, 5709.83, 5709.831, 2399
5709.832, 5709.85, 5709.91, 5709.911, 5709.913, and 5715.27 of 2400
the Revised Code are hereby repealed. 2401

Section 3. The General Assembly, applying the principle 2402
stated in division (B) of section 1.52 of the Revised Code that 2403
amendments are to be harmonized if reasonably capable of 2404
simultaneous operation, finds that the following sections, 2405
presented in this act as composites of the sections as amended 2406
by the acts indicated, are the resulting versions of the 2407
sections in effect prior to the effective date of the sections 2408
as presented in this act: 2409

Section 133.06 of the Revised Code as amended by both Am. 2410
Sub. H.B. 483 and Am. Sub. H.B. 487 of the 130th General 2411
Assembly. 2412

Section 5709.12 of the Revised Code as amended by both Am. 2413
Sub. H.B. 483 and Sub. S.B. 172 of the 130th General Assembly. 2414