

**As Passed by the Senate**

**131st General Assembly**

**Regular Session**

**2015-2016**

**Sub. S. B. No. 235**

**Senators Beagle, Coley**

**Cosponsors: Senators Eklund, Patton, Seitz**

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**A BILL**

To enact section 5709.45 of the Revised Code to  
exempt from property tax the increased value of  
property on which industrial or commercial  
development is planned until the completion of  
new commercial or industrial facilities at the  
property.

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

**Section 1.** That section 5709.45 of the Revised Code be  
enacted to read as follows:

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**Sec. 5709.45.** (A) As used in this section:

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(1) "Newly developable property" means a parcel of real  
property on which no commercial or industrial operations are  
currently being conducted and on which construction of one or  
more commercial or industrial buildings or structures is planned  
but for which a certificate of occupancy has not yet been  
issued.

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(2) "Redevelopment property" means a parcel of real  
property on which one or more commercial or industrial buildings  
or structures are or were situated, no commercial or industrial

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operations are currently being conducted, and construction or 19  
reconstruction of new commercial or industrial buildings or 20  
structures is planned but for which a certificate of occupancy 21  
following completion of the construction or reconstruction has 22  
not yet been issued. 23

(3) "Commercial or industrial building or structure" means 24  
a building or structure classified as to use for tax purposes as 25  
commercial or industrial that, prior to its use or occupation, 26  
requires a certificate of occupancy. "Commercial or industrial 27  
building or structure" does not include a building or structure 28  
any part of which is to be used as a dwelling. 29

(4) "Remnant parcel" means a parcel resulting from a 30  
subdividing plat that includes original property. 31

(5) "Original property" means newly developable property 32  
or redevelopment property subject to an exemption under division 33  
(B)(1) of this section for a tax year. 34

(6) "Unexempted value" means the taxable value of property 35  
as it appeared or would have appeared, if it were not for the 36  
exemption granted under this section, on the tax list and 37  
duplicate of real and public utility property for the most 38  
recent calculation year. 39

(7) "Subdividing plat" means a plat subdividing land that 40  
is approved by the board of county commissioners, municipal 41  
corporation legislative authority, or municipal, county, or 42  
regional planning or platting commission having authority to 43  
approve plats in the territory in which newly developable 44  
property or redevelopment property is situated. 45

(8) "Certificate of occupancy" means a valid certificate 46  
of occupancy issued for a commercial or industrial building or 47

structure by the building official having jurisdiction over that 48  
building or structure. 49

(9) "Calculation year" means the tax year preceding the 50  
tax year in which the owner files a declaration under division 51  
(B) (1) of this section, and every tenth year thereafter. 52

(10) "Increase in the taxable value" or "increase in 53  
value" means the amount by which the taxable value of property 54  
as it would have appeared on the tax list and duplicate of real 55  
and public utility property for a tax year exceeds the 56  
unexempted value of that property. 57

(B) (1) Any increase in the taxable value of newly 58  
developable property or redevelopment property is exempted from 59  
taxation beginning with the tax year in which the owner files a 60  
written declaration with the county auditor of the county in 61  
which the property is located attesting to each of the 62  
following: 63

(a) That the property is newly developable property or 64  
redevelopment property; 65

(b) If the property is newly developable property, that 66  
the property is zoned to permit construction of a new commercial 67  
or industrial building or structure; 68

(c) If the property is redevelopment property, that the 69  
property is zoned to permit construction or reconstruction of a 70  
new commercial or industrial building or structure. 71

(2) The increase in value of property exempted under 72  
division (B) (1) of this section shall be exempted for each 73  
ensuing tax year until and including the tax year immediately 74  
preceding the tax year in which one of the following occurs: 75

<u>(a) The owner obtains a certificate of occupancy for a</u>	76
<u>commercial or industrial building or structure located on the</u>	77
<u>property.</u>	78
<u>(b) The owner transfers title to the property to another</u>	79
<u>person.</u>	80
<u>(c) The property is rezoned such that construction of a</u>	81
<u>new commercial or industrial building or structure is no longer</u>	82
<u>permitted.</u>	83
<u>(d) Subject to division (C) of this section, a subdividing</u>	84
<u>plat that includes the property is presented to the county</u>	85
<u>auditor under section 5713.18 of the Revised Code.</u>	86
<u>(e) Any commercial or industrial operations are conducted</u>	87
<u>on the property.</u>	88
<u>(C) (1) If the event described in division (B) (2) (d) of</u>	89
<u>this section occurs, any increase in the taxable value of</u>	90
<u>remnant parcels is exempted from taxation beginning with the tax</u>	91
<u>year in which the subdividing plat is presented to the county</u>	92
<u>auditor. The unexempted value of each remnant parcel for a tax</u>	93
<u>year shall equal the same proportion of the aggregate unexempted</u>	94
<u>value of all the remnant parcels that the true value in money of</u>	95
<u>the remnant parcel for that tax year bears to the aggregate true</u>	96
<u>value in money of all remnant parcels for that tax year. Remnant</u>	97
<u>parcels remain subject to the exemption authorized under</u>	98
<u>division (C) of this section until and including the tax year</u>	99
<u>immediately preceding the tax year in which one of the events</u>	100
<u>described in divisions (B) (2) (a) to (e) of this section occurs</u>	101
<u>with respect to any remnant parcel, subject to division (C) (2)</u>	102
<u>of this section.</u>	103
<u>(2) If the event described in division (B) (2) (d) of this</u>	104

section occurs with respect to a remnant parcel for which a 105  
portion of the remnant parcel's value is exempted for the 106  
preceding tax year under this section, the unexempted value of 107  
each parcel resulting from the subdivision of the remnant parcel 108  
for a tax year shall equal the same proportion of the unexempted 109  
value attributable to the remnant parcel under division (C)(1) 110  
of this section that the true value in money of the resultant 111  
parcel for that tax year bears to the aggregate true value in 112  
money of all such resultant parcels for that tax year. 113

(3) Nothing in division (C) of this section authorizes an 114  
exemption from taxation for parcels that do not include original 115  
property. 116

(D) No exemption from taxation is authorized under this 117  
section for the increase in value of newly developable property 118  
or redevelopment property unless the owner of the property files 119  
an application for exemption as required by section 5715.27 of 120  
the Revised Code. 121

**Section 2.** The enactment by this act of section 5709.45 of 122  
the Revised Code applies to tax year 2016 and every tax year 123  
thereafter. 124