

As Reported by the House Ways and Means Committee

132nd General Assembly

Regular Session

2017-2018

Sub. H. B. No. 371

Representative Merrin

Cosponsors: Representatives Schaffer, Seitz, Lang, Kick, Becker, Vitale, Riedel, Brinkman, Romanchuk, Keller, Hood, Zeltwanger, Dean, Goodman, Householder, Retherford

A BILL

To enact section 5709.51 of the Revised Code to 1
exempt from property taxation the increased 2
value of land subdivided for residential 3
development for eight years or until 4
construction commences or the land is sold. 5

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

Section 1. That section 5709.51 of the Revised Code be 6
enacted to read as follows: 7

Sec. 5709.51. (A) As used in this section: 8

(1) "Pre-residential development property" means a 9
subdivided parcel of unimproved real property on which 10
construction of one or more residential buildings is planned but 11
has not yet commenced. The construction of streets, sidewalks, 12
curbs, or driveways or the installation of water, sewer, or 13
other utility lines on a subdivided parcel does not cause 14
construction of a residential building to commence for purposes 15
of division (A)(1) or (B) of this section. 16

(2) "Residential building" means a building or structure 17
any part of which is to be used as a dwelling. 18

(3) "Unexempted value" means, for any subdivided parcel, 19
one of the following: 20

(a) Except as provided in division (A) (3) (b) of this 21
section, the nonagricultural taxable value of the original 22
property for the tax year preceding the tax year the subdivided 23
property first appears on the tax list as a subdivided parcel 24
multiplied by a fraction, the numerator of which is the true 25
value in money of the subdivided parcel for the tax year the 26
subdivided parcel first appears on the tax list and the 27
denominator of which is the true value in money of all 28
subdivided parcels subdivided from that original parcel for that 29
tax year. 30

(b) If a subdivided parcel exempted under this section is 31
itself subdivided, the "unexempted value" of the newly 32
subdivided parcel equals the unexempted value, as defined in 33
division (A) (3) (a) of this section, of the parcel from which the 34
newly subdivided parcel was subdivided for the tax year 35
preceding the tax year the newly subdivided parcel first appears 36
on the tax list multiplied by a fraction, the numerator of which 37
is the true value in money of the newly subdivided parcel for 38
the tax year it first appears on the tax list and the 39
denominator of which is the true value in money for that year of 40
all newly subdivided parcels resulting from the most recent 41
subdivision. 42

(4) "Subdivided parcel" means a parcel resulting from the 43
subdivision of original property pursuant to a plat subdividing 44
that property presented to the county auditor under section 45
5713.18 of the Revised Code. 46

(5) "Original property" means the parcel from which a subdivided parcel is subdivided. 47
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(6) "Qualifying owner" means the owner of pre-residential development property for any portion of a tax year ending on or after the effective date of H.B. 371 of the 132nd general assembly that includes the date a plat subdividing land including such property is presented to the county auditor under section 5713.18 of the Revised Code, or any other person to which title to the property is transferred, without consideration, by another qualifying owner. 49
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(7) "Nonagricultural taxable value" means the taxable value of land as if such land were valued and assessed for a tax year pursuant to Section 2 of Article XII, Ohio Constitution, and not in accordance with Section 36 of Article II, Ohio Constitution. 57
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(B) Any increase in taxable value above the unexempted value of pre-residential development property owned by a qualifying owner is exempted from taxation beginning with the first tax year the pre-residential development property appears on the tax list after a plat subdividing land including that property is presented to the county auditor under section 5713.18 of the Revised Code and for each of the seven ensuing tax years, except that the exemption shall not apply beginning with the tax year that begins after the tax year in which the earlier of the following occurs: 62
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(1) Construction of a residential building on that property commences; 72
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(2) Title to the property is transferred for consideration by a qualifying owner to another person. 74
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(C) The tax commissioner shall not approve an application 76
for an exemption authorized under this section unless the 77
applicant for the exemption certifies that the parcel that is 78
the subject of the exemption satisfies the requirements of 79
division (A)(1) of this section for pre-residential development 80
property. 81

(D) Nothing in this section shall be construed to 82
authorize a parcel subject to the partial exemption authorized 83
by this section to be valued and assessed for taxation in any 84
manner other than in accordance with Section 36 of Article II or 85
Section 2 of Article XII, Ohio Constitution, as applicable to 86
the parcel. 87