

As Introduced

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H. B. No. 369

Representative Weinstein

Cosponsors: Representatives Crossman, Galonski, Lepore-Hagan, Liston, Miller, A., Miller, J., Robinson, Skindell, Sobecki, Troy, Upchurch, West

A BILL

To amend section 3735.67 and to enact section 1
3735.674 of the Revised Code to enact the School 2
Board Fairness Act, requiring school districts 3
to approve certain residential community 4
reinvestment area property tax exemptions. 5

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

Section 1. That section 3735.67 be amended and section 6
3735.674 of the Revised Code be enacted to read as follows: 7

Sec. 3735.67. (A) The owner of real property located in a 8
community reinvestment area and eligible for exemption from 9
taxation under a resolution adopted pursuant to section 3735.66 10
of the Revised Code may file an application for an exemption 11
from real property taxation of a percentage of the assessed 12
valuation of a new structure, or of the increased assessed 13
valuation of an existing structure after remodeling began, if 14
the new structure or remodeling is completed after the effective 15
date of the resolution adopted pursuant to section 3735.66 of 16
the Revised Code. The application shall be filed with the 17
housing officer designated for the community reinvestment area 18

in which the property is located. ~~If~~ 19

If any part of the new structure or remodeled structure 20
that would be exempted is of real property to be used for 21
commercial or industrial purposes, the legislative authority and 22
the owner of the property shall enter into a written agreement 23
pursuant to section 3735.671 of the Revised Code prior to 24
commencement of construction or remodeling; if such an agreement 25
is subject to approval by the board of education of the school 26
district within the territory of which the property is or will 27
be located, the agreement shall not be formally approved by the 28
legislative authority until the board of education approves the 29
agreement in the manner prescribed by that section. 30

If any part of the new structure or remodeled structure 31
that would be exempted is of real property to be used for 32
residential purposes and the percentage of the assessed 33
valuation of such property to be exempted equals or exceeds 34
fifty per cent, as provided in the resolution adopted under 35
section 3735.66 of the Revised Code, the housing officer shall 36
not approve the application until the board of education of each 37
school district within the territory in which the property is 38
located approves the application pursuant to section 3735.674 of 39
the Revised Code. 40

(B) The housing officer shall verify the construction of 41
the new structure or the cost of the remodeling of the existing 42
structure and the facts asserted in the application. The housing 43
officer shall determine whether the construction or remodeling 44
meets the requirements for an exemption under this section. In 45
cases involving a structure of historical or architectural 46
significance, the housing officer shall not determine whether 47
the remodeling meets the requirements for a tax exemption unless 48

the appropriateness of the remodeling has been certified, in 49
writing, by the society, association, agency, or legislative 50
authority that has designated the structure or by any 51
organization or person authorized, in writing, by such society, 52
association, agency, or legislative authority to certify the 53
appropriateness of the remodeling. 54

(C) If the construction or remodeling meets the 55
requirements for exemption, the housing officer shall forward 56
the application to the county auditor with a certification as to 57
the division of this section under which the exemption is 58
granted, and the period and percentage of the exemption as 59
determined by the legislative authority pursuant to that 60
division. If the construction or remodeling is of commercial or 61
industrial property and the legislative authority is not 62
required to certify a copy of a resolution under section 63
3735.671 of the Revised Code, or if the construction or 64
remodeling is of residential property and the housing officer is 65
not required to forward an application under section 3735.674 of 66
the Revised Code, the housing officer shall comply with the 67
notice requirements prescribed under section 5709.83 of the 68
Revised Code, unless the board has adopted a resolution under 69
that section waiving its right to receive such a notice. 70

(D) Except as provided in division (F) of this section, 71
the tax exemption shall first apply in the year the construction 72
or remodeling would first be taxable but for this section. In 73
the case of remodeling that qualifies for exemption, a 74
percentage, not to exceed one hundred per cent, of the increased 75
assessed valuation of an existing structure after remodeling 76
began shall be exempted from real property taxation. In the case 77
of construction of a structure that qualifies for exemption, a 78
percentage, not to exceed one hundred per cent, of the assessed 79

value of the structure shall be exempted from real property 80
taxation. In either case, the percentage shall be the percentage 81
set forth in the agreement if the structure or remodeling is to 82
be used for commercial or industrial purposes, or the percentage 83
set forth in the resolution describing the community 84
reinvestment area if the structure or remodeling is to be used 85
for residential purposes. 86

The construction of new structures and the remodeling of 87
existing structures are hereby declared to be a public purpose 88
for which exemptions from real property taxation may be granted 89
for the following periods: 90

(1) For every dwelling and commercial or industrial 91
properties, located within the same community reinvestment area, 92
upon which the cost of remodeling is at least two thousand five 93
hundred dollars in the case of a dwelling containing not more 94
than two family units or at least five thousand dollars in the 95
case of all other property, a period to be determined by the 96
legislative authority adopting the resolution, but not exceeding 97
fifteen years. The period of exemption for a dwelling described 98
in division (D) (1) of this section may be extended by a 99
legislative authority for up to an additional ten years if the 100
dwelling is a structure of historical or architectural 101
significance, is a certified historic structure that has been 102
subject to federal tax treatment under 26 U.S.C. 47 and 170(h), 103
and units within the structure have been leased to individual 104
tenants for five consecutive years; 105

(2) Except as provided in division (F) of this section, 106
for construction of every dwelling, and commercial or industrial 107
structure located within the same community reinvestment area, a 108
period to be determined by the legislative authority adopting 109

the resolution, but not exceeding fifteen years. 110

(E) Any person, board, or officer authorized by section 111
5715.19 of the Revised Code to file complaints with the county 112
board of revision may file a complaint with the housing officer 113
challenging the continued exemption of any property granted an 114
exemption under this section. A complaint against exemption 115
shall be filed prior to the thirty-first day of December of the 116
tax year for which taxation of the property is requested. The 117
housing officer shall determine whether the property continues 118
to meet the requirements for exemption and shall certify the 119
housing officer's findings to the complainant. If the housing 120
officer determines that the property does not meet the 121
requirements for exemption, the housing officer shall notify the 122
county auditor, who shall correct the tax list and duplicate 123
accordingly. 124

(F) The owner of a dwelling constructed in a community 125
reinvestment area may file an application for an exemption after 126
the year the construction first became subject to taxation. The 127
application shall be processed in accordance with the procedures 128
prescribed under this section and section 3735.674 of the 129
Revised Code, and shall be granted if the construction that is 130
the subject of the application otherwise meets the requirements 131
for an exemption under this section and section 3735.674 of the 132
Revised Code. If approved, the exemption sought in the 133
application first applies in the year the application is filed. 134
An exemption approved pursuant to this division continues only 135
for those years remaining in the period described in division 136
(D) (2) of this section. No exemption may be claimed for any year 137
in that period that precedes the year in which the application 138
is filed. 139

Sec. 3735.674. Upon receiving an application for a tax exemption under section 3735.67 of the Revised Code for the construction or remodeling of residential property, the housing officer shall, if such property is located in a community reinvestment area in which the percentage of the assessed valuation of such property to be exempted equals or exceeds fifty per cent, forward the application, within fourteen days of receiving the application, to the board of education of each city, local, or exempted village school district within the territory in which the property is located. 140
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Within thirty days of receiving an application, the board of education, by resolution adopted by a majority of the board, shall approve or disapprove the application and certify a copy of the resolution to the housing officer. 150
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If the board of education has adopted a resolution waiving its right to approve applications and the resolution remains in effect, approval of an application by the board is not required under this section. The board shall certify a copy of such resolution waiving its right to approve applications to the housing officer. If the board rescinds such a resolution, it shall certify notice of the rescission to the housing officer. 154
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Section 2. That existing section 3735.67 of the Revised Code is hereby repealed. 161
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Section 3. This act shall be known as the School Board Fairness Act. 163
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