

As Introduced

**135th General Assembly
Regular Session
2023-2024**

S. B. No. 120

Senator Schuring

A BILL

To amend sections 5709.40, 5709.41, 5709.43, 1
5709.73, 5709.75, 5709.77, 5709.78, and 5709.80 2
of the Revised Code to allow a portion of tax 3
increment financing service payments to be 4
designated for use by land banks. 5

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

Section 1. That sections 5709.40, 5709.41, 5709.43, 6
5709.73, 5709.75, 5709.77, 5709.78, and 5709.80 of the Revised 7
Code be amended to read as follows: 8

Sec. 5709.40. (A) As used in this section: 9

(1) "Blighted area" and "impacted city" have the same 10
meanings as in section 1728.01 of the Revised Code. 11

(2) "Business day" means a day of the week excluding 12
Saturday, Sunday, and a legal holiday as defined under section 13
1.14 of the Revised Code. 14

(3) "Housing renovation" means a project carried out for 15
residential purposes. 16

(4) "Improvement" means the increase in the assessed value 17
of any real property that would first appear on the tax list and 18

duplicate of real and public utility property after the 19
effective date of an ordinance adopted under this section were 20
it not for the exemption granted by that ordinance. 21

(5) "Incentive district" means an area not more than three 22
hundred acres in size enclosed by a continuous boundary in which 23
a project is being, or will be, undertaken and having one or 24
more of the following distress characteristics: 25

(a) At least fifty-one per cent of the residents of the 26
district have incomes of less than eighty per cent of the median 27
income of residents of the political subdivision in which the 28
district is located, as determined in the same manner specified 29
under section 119(b) of the "Housing and Community Development 30
Act of 1974," 88 Stat. 633, 42 U.S.C. 5318, as amended; 31

(b) The average rate of unemployment in the district 32
during the most recent twelve-month period for which data are 33
available is equal to at least one hundred fifty per cent of the 34
average rate of unemployment for this state for the same period. 35

(c) At least twenty per cent of the people residing in the 36
district live at or below the poverty level as defined in the 37
federal Housing and Community Development Act of 1974, 42 U.S.C. 38
5301, as amended, and regulations adopted pursuant to that act. 39

(d) The district is a blighted area. 40

(e) The district is in a situational distress area as 41
designated by the director of development under division (F) of 42
section 122.23 of the Revised Code. 43

(f) As certified by the engineer for the political 44
subdivision, the public infrastructure serving the district is 45
inadequate to meet the development needs of the district as 46
evidenced by a written economic development plan or urban 47

renewal plan for the district that has been adopted by the 48
legislative authority of the subdivision. 49

(g) The district is comprised entirely of unimproved land 50
that is located in a distressed area as defined in section 51
122.23 of the Revised Code. 52

(6) "Overlay" means an area of not more than three hundred 53
acres that is a square, or that is a rectangle having two longer 54
sides that are not more than twice the length of the two shorter 55
sides, that the legislative authority of a municipal corporation 56
delineates on a map of a proposed incentive district. 57

(7) "Project" means development activities undertaken on 58
one or more parcels, including, but not limited to, 59
construction, expansion, and alteration of buildings or 60
structures, demolition, remediation, and site development, and 61
any building or structure that results from those activities. 62

(8) "Public infrastructure improvement" includes, but is 63
not limited to, public roads and highways; water and sewer 64
lines; the continued maintenance of those public roads and 65
highways and water and sewer lines; environmental remediation; 66
land acquisition, including acquisition in aid of industry, 67
commerce, distribution, or research; demolition, including 68
demolition on private property when determined to be necessary 69
for economic development purposes; stormwater and flood 70
remediation projects, including such projects on private 71
property when determined to be necessary for public health, 72
safety, and welfare; the provision of gas, electric, and 73
communications service facilities, including the provision of 74
gas or electric service facilities owned by nongovernmental 75
entities when such improvements are determined to be necessary 76
for economic development purposes; the enhancement of public 77

waterways through improvements that allow for greater public 78
access; and off-street parking facilities, including those in 79
which all or a portion of the parking spaces are reserved for 80
specific uses when determined to be necessary for economic 81
development purposes. 82

(9) "Electing subdivision," "land reutilization program," 83
and "county land reutilization corporation" have the same 84
meanings as in section 5722.01 of the Revised Code. 85

(10) "Qualifying nonprofit organization" means a 86
charitable organization that is exempt from federal income 87
taxation under subsection 501(a) of the Internal Revenue Code, 88
as described in subsection 501(c)(3) of the Internal Revenue 89
Code, and whose sole purpose is to acquire and dispose of 90
property to facilitate economic development. 91

(B) The legislative authority of a municipal corporation, 92
by ordinance, may declare improvements to certain parcels of 93
real property located in the municipal corporation to be a 94
public purpose. Improvements with respect to a parcel that is 95
used or to be used for residential purposes may be declared a 96
public purpose under this division only if the parcel is located 97
in a blighted area of an impacted city. For this purpose, 98
"parcel that is used or to be used for residential purposes" 99
means a parcel that, as improved, is used or to be used for 100
purposes that would cause the tax commissioner to classify the 101
parcel as residential property in accordance with rules adopted 102
by the commissioner under section 5713.041 of the Revised Code. 103
Except as otherwise provided under division (D) of this section 104
or section 5709.51 of the Revised Code, not more than seventy- 105
five per cent of an improvement thus declared to be a public 106
purpose may be exempted from real property taxation for a period 107

of not more than ten years. The ordinance shall specify the 108
percentage of the improvement to be exempted from taxation and 109
the life of the exemption. 110

An ordinance adopted or amended under this division shall 111
designate the specific public infrastructure improvements made, 112
to be made, or in the process of being made by the municipal 113
corporation that directly benefit, or that once made will 114
directly benefit, the parcels for which improvements are 115
declared to be a public purpose. If the municipal corporation is 116
an electing subdivision, if a qualifying nonprofit organization 117
operates exclusively within the municipal corporation, or the 118
municipal corporation has territory in a county that has 119
established a county land reutilization corporation, an 120
ordinance adopted under this division may designate a portion, 121
not to exceed ten per cent, of any service payments required 122
under section 5709.42 of the Revised Code for the use of the 123
applicable land reutilization program, organization, or 124
corporation. The service payments provided for in section 125
5709.42 of the Revised Code shall be used to finance the public 126
infrastructure improvements designated in the ordinance, for the 127
purpose described in division (D)(1) of this section, or as 128
provided in section 5709.43 of the Revised Code. 129

(C)(1) The legislative authority of a municipal 130
corporation may adopt an ordinance creating an incentive 131
district and declaring improvements to parcels within the 132
district to be a public purpose and, except as provided in 133
division (C)(2) of this section, exempt from taxation as 134
provided in this section, but no legislative authority of a 135
municipal corporation that has a population that exceeds twenty- 136
five thousand, as shown by the most recent federal decennial 137
census, shall adopt an ordinance that creates an incentive 138

district if the sum of the taxable value of real property in the 139
proposed district for the preceding tax year and the taxable 140
value of all real property in the municipal corporation that 141
would have been taxable in the preceding year were it not for 142
the fact that the property was in an existing incentive district 143
and therefore exempt from taxation exceeds twenty-five per cent 144
of the taxable value of real property in the municipal 145
corporation for the preceding tax year. The ordinance shall 146
delineate the boundary of the proposed district and specifically 147
identify each parcel within the district. A proposed district 148
may not include any parcel that is or has been exempted from 149
taxation under division (B) of this section or that is or has 150
been within another district created under this division. An 151
ordinance may create more than one such district, and more than 152
one ordinance may be adopted under division (C) (1) of this 153
section. 154

(2) (a) Not later than thirty days prior to adopting an 155
ordinance under division (C) (1) of this section, if the 156
municipal corporation intends to apply for exemptions from 157
taxation under section 5709.911 of the Revised Code on behalf of 158
owners of real property located within the proposed incentive 159
district, the legislative authority of the municipal corporation 160
shall conduct a public hearing on the proposed ordinance. Not 161
later than thirty days prior to the public hearing, the 162
legislative authority shall give notice of the public hearing 163
and the proposed ordinance by first class mail to every real 164
property owner whose property is located within the boundaries 165
of the proposed incentive district that is the subject of the 166
proposed ordinance. The notice shall include a map of the 167
proposed incentive district on which the legislative authority 168
of the municipal corporation shall have delineated an overlay. 169

The notice shall inform the property owner of the owner's right 170
to exclude the owner's property from the incentive district if 171
the owner's entire parcel of property will not be located within 172
the overlay, by submitting a written response in accordance with 173
division (C) (2) (b) of this section. The notice also shall 174
include information detailing the required contents of the 175
response, the address to which the response may be mailed, and 176
the deadline for submitting the response. 177

(b) Any owner of real property located within the 178
boundaries of an incentive district proposed under division (C) 179
(1) of this section whose entire parcel of property is not 180
located within the overlay may exclude the property from the 181
proposed incentive district by submitting a written response to 182
the legislative authority of the municipal corporation not later 183
than forty-five days after the postmark date on the notice 184
required under division (C) (2) (a) of this section. The response 185
shall be sent by first class mail or delivered in person at a 186
public hearing held by the legislative authority under division 187
(C) (2) (a) of this section. The response shall conform to any 188
content requirements that may be established by the municipal 189
corporation and included in the notice provided under division 190
(C) (2) (a) of this section. In the response, property owners may 191
identify a parcel by street address, by the manner in which it 192
is identified in the ordinance, or by other means allowing the 193
identity of the parcel to be ascertained. 194

(c) Before adopting an ordinance under division (C) (1) of 195
this section, the legislative authority of a municipal 196
corporation shall amend the ordinance to exclude any parcel 197
located wholly or partly outside the overlay for which a written 198
response has been submitted under division (C) (2) (b) of this 199
section. A municipal corporation shall not apply for exemptions 200

from taxation under section 5709.911 of the Revised Code for any 201
such parcel, and service payments may not be required from the 202
owner of the parcel. Improvements to a parcel excluded from an 203
incentive district under this division may be exempted from 204
taxation under division (B) of this section pursuant to an 205
ordinance adopted under that division or under any other section 206
of the Revised Code under which the parcel qualifies. 207

(3) (a) An ordinance adopted under division (C) (1) of this 208
section shall specify the life of the incentive district and the 209
percentage of the improvements to be exempted, shall designate 210
the public infrastructure improvements made, to be made, or in 211
the process of being made, that benefit or serve, or, once made, 212
will benefit or serve parcels in the district. The ordinance 213
also shall identify one or more specific projects being, or to 214
be, undertaken in the district that place additional demand on 215
the public infrastructure improvements designated in the 216
ordinance. The project identified may, but need not be, the 217
project under division (C) (3) (b) of this section that places 218
real property in use for commercial or industrial purposes. 219
Except as otherwise permitted under that division, the service 220
payments provided for in section 5709.42 of the Revised Code 221
shall be used to finance the designated public infrastructure 222
improvements, for the purpose described in division (D) (1), (E), 223
or (F) of this section, or as provided in section 5709.43 of the 224
Revised Code. 225

An ordinance adopted under division (C) (1) of this section 226
on or after March 30, 2006, shall not designate police or fire 227
equipment as public infrastructure improvements, and no service 228
payment provided for in section 5709.42 of the Revised Code and 229
received by the municipal corporation under the ordinance shall 230
be used for police or fire equipment. 231

(b) An ordinance adopted under division (C) (1) of this 232
section may authorize the use of service payments provided for 233
in section 5709.42 of the Revised Code for the purpose of 234
housing renovations within the incentive district, provided that 235
the ordinance also designates public infrastructure improvements 236
that benefit or serve the district, and that a project within 237
the district places real property in use for commercial or 238
industrial purposes. Service payments may be used to finance or 239
support loans, deferred loans, and grants to persons for the 240
purpose of housing renovations within the district. The 241
ordinance shall designate the parcels within the district that 242
are eligible for housing renovation. The ordinance shall state 243
separately the amounts or the percentages of the expected 244
aggregate service payments that are designated for each public 245
infrastructure improvement and for the general purpose of 246
housing renovations. 247

(c) If the municipal corporation is an electing 248
subdivision, if a qualifying nonprofit organization operates 249
exclusively within the municipal corporation, or the municipal 250
corporation has territory in a county that has established a 251
county land reutilization corporation, an ordinance adopted 252
under division (C) (1) of this section may designate a portion, 253
not to exceed ten per cent, of any service payments required 254
under section 5709.42 of the Revised Code for the use of the 255
applicable land reutilization program, organization, or 256
corporation. 257

(4) Except with the approval of the board of education of 258
each city, local, or exempted village school district within the 259
territory of which the incentive district is or will be located, 260
and subject to division (E) of this section, the life of an 261
incentive district shall not exceed ten years, and the 262

percentage of improvements to be exempted shall not exceed 263
seventy-five per cent. With approval of the board of education, 264
the life of a district may be not more than thirty years, and 265
the percentage of improvements to be exempted may be not more 266
than one hundred per cent. The approval of a board of education 267
shall be obtained in the manner provided in division (D) of this 268
section. 269

(D) (1) If the ordinance declaring improvements to a parcel 270
to be a public purpose or creating an incentive district 271
specifies that payments in lieu of taxes provided for in section 272
5709.42 of the Revised Code shall be paid to the city, local, or 273
exempted village, and joint vocational school district in which 274
the parcel or incentive district is located in the amount of the 275
taxes that would have been payable to the school district if the 276
improvements had not been exempted from taxation, the percentage 277
of the improvement that may be exempted from taxation may exceed 278
seventy-five per cent, and the exemption may be granted for up 279
to thirty years, without the approval of the board of education 280
as otherwise required under division (D) (2) of this section. 281

(2) Improvements with respect to a parcel may be exempted 282
from taxation under division (B) of this section, and 283
improvements to parcels within an incentive district may be 284
exempted from taxation under division (C) of this section, for 285
up to ten years or, with the approval under this paragraph of 286
the board of education of the city, local, or exempted village 287
school district within which the parcel or district is located, 288
for up to thirty years. The percentage of the improvement 289
exempted from taxation may, with such approval, exceed seventy- 290
five per cent, but shall not exceed one hundred per cent. Not 291
later than forty-five business days prior to adopting an 292
ordinance under this section declaring improvements to be a 293

public purpose that is subject to approval by a board of 294
education under this division, the legislative authority shall 295
deliver to the board of education a notice stating its intent to 296
adopt an ordinance making that declaration. The notice regarding 297
improvements with respect to a parcel under division (B) of this 298
section shall identify the parcels for which improvements are to 299
be exempted from taxation, provide an estimate of the true value 300
in money of the improvements, specify the period for which the 301
improvements would be exempted from taxation and the percentage 302
of the improvement that would be exempted, and indicate the date 303
on which the legislative authority intends to adopt the 304
ordinance. The notice regarding improvements to parcels within 305
an incentive district under division (C) of this section shall 306
delineate the boundaries of the district, specifically identify 307
each parcel within the district, identify each anticipated 308
improvement in the district, provide an estimate of the true 309
value in money of each such improvement, specify the life of the 310
district and the percentage of improvements that would be 311
exempted, and indicate the date on which the legislative 312
authority intends to adopt the ordinance. The board of 313
education, by resolution adopted by a majority of the board, may 314
approve the exemption for the period or for the exemption 315
percentage specified in the notice; may disapprove the exemption 316
for the number of years in excess of ten, may disapprove the 317
exemption for the percentage of the improvement to be exempted 318
in excess of seventy-five per cent, or both; or may approve the 319
exemption on the condition that the legislative authority and 320
the board negotiate an agreement providing for compensation to 321
the school district equal in value to a percentage of the amount 322
of taxes exempted in the eleventh and subsequent years of the 323
exemption period or, in the case of exemption percentages in 324
excess of seventy-five per cent, compensation equal in value to 325

a percentage of the taxes that would be payable on the portion 326
of the improvement in excess of seventy-five per cent were that 327
portion to be subject to taxation, or other mutually agreeable 328
compensation. If an agreement is negotiated between the 329
legislative authority and the board to compensate the school 330
district for all or part of the taxes exempted, including 331
agreements for payments in lieu of taxes under section 5709.42 332
of the Revised Code, the legislative authority shall compensate 333
the joint vocational school district within which the parcel or 334
district is located at the same rate and under the same terms 335
received by the city, local, or exempted village school 336
district. 337

(3) The board of education shall certify its resolution to 338
the legislative authority not later than fourteen days prior to 339
the date the legislative authority intends to adopt the 340
ordinance as indicated in the notice. If the board of education 341
and the legislative authority negotiate a mutually acceptable 342
compensation agreement, the ordinance may declare the 343
improvements a public purpose for the number of years specified 344
in the ordinance or, in the case of exemption percentages in 345
excess of seventy-five per cent, for the exemption percentage 346
specified in the ordinance. In either case, if the board and the 347
legislative authority fail to negotiate a mutually acceptable 348
compensation agreement, the ordinance may declare the 349
improvements a public purpose for not more than ten years, and 350
shall not exempt more than seventy-five per cent of the 351
improvements from taxation. If the board fails to certify a 352
resolution to the legislative authority within the time 353
prescribed by this division, the legislative authority thereupon 354
may adopt the ordinance and may declare the improvements a 355
public purpose for up to thirty years, or, in the case of 356

exemption percentages proposed in excess of seventy-five per 357
cent, for the exemption percentage specified in the ordinance. 358
The legislative authority may adopt the ordinance at any time 359
after the board of education certifies its resolution approving 360
the exemption to the legislative authority, or, if the board 361
approves the exemption on the condition that a mutually 362
acceptable compensation agreement be negotiated, at any time 363
after the compensation agreement is agreed to by the board and 364
the legislative authority. 365

(4) If a board of education has adopted a resolution 366
waiving its right to approve exemptions from taxation under this 367
section and the resolution remains in effect, approval of 368
exemptions by the board is not required under division (D) of 369
this section. If a board of education has adopted a resolution 370
allowing a legislative authority to deliver the notice required 371
under division (D) of this section fewer than forty-five 372
business days prior to the legislative authority's adoption of 373
the ordinance, the legislative authority shall deliver the 374
notice to the board not later than the number of days prior to 375
such adoption as prescribed by the board in its resolution. If a 376
board of education adopts a resolution waiving its right to 377
approve agreements or shortening the notification period, the 378
board shall certify a copy of the resolution to the legislative 379
authority. If the board of education rescinds such a resolution, 380
it shall certify notice of the rescission to the legislative 381
authority. 382

(5) If the legislative authority is not required by 383
division (D) of this section to notify the board of education of 384
the legislative authority's intent to declare improvements to be 385
a public purpose, the legislative authority shall comply with 386
the notice requirements imposed under section 5709.83 of the 387

Revised Code, unless the board has adopted a resolution under 388
that section waiving its right to receive such a notice. 389

(6) Nothing in division (D) of this section prohibits the 390
legislative authority of a municipal corporation from amending 391
the ordinance or resolution under section 5709.51 of the Revised 392
Code to extend the term of the exemption. 393

(E) (1) If a proposed ordinance under division (C) (1) of 394
this section exempts improvements with respect to a parcel 395
within an incentive district for more than ten years, or the 396
percentage of the improvement exempted from taxation exceeds 397
seventy-five per cent, not later than forty-five business days 398
prior to adopting the ordinance the legislative authority of the 399
municipal corporation shall deliver to the board of county 400
commissioners of the county within which the incentive district 401
will be located a notice that states its intent to adopt an 402
ordinance creating an incentive district. The notice shall 403
include a copy of the proposed ordinance, identify the parcels 404
for which improvements are to be exempted from taxation, provide 405
an estimate of the true value in money of the improvements, 406
specify the period of time for which the improvements would be 407
exempted from taxation, specify the percentage of the 408
improvements that would be exempted from taxation, and indicate 409
the date on which the legislative authority intends to adopt the 410
ordinance. 411

(2) The board of county commissioners, by resolution 412
adopted by a majority of the board, may object to the exemption 413
for the number of years in excess of ten, may object to the 414
exemption for the percentage of the improvement to be exempted 415
in excess of seventy-five per cent, or both. If the board of 416
county commissioners objects, the board may negotiate a mutually 417

acceptable compensation agreement with the legislative 418
authority. In no case shall the compensation provided to the 419
board exceed the property taxes forgone due to the exemption. If 420
the board of county commissioners objects, and the board and 421
legislative authority fail to negotiate a mutually acceptable 422
compensation agreement, the ordinance adopted under division (C) 423
(1) of this section shall provide to the board compensation in 424
the eleventh and subsequent years of the exemption period equal 425
in value to not more than fifty per cent of the taxes that would 426
be payable to the county or, if the board's objection includes 427
an objection to an exemption percentage in excess of seventy- 428
five per cent, compensation equal in value to not more than 429
fifty per cent of the taxes that would be payable to the county, 430
on the portion of the improvement in excess of seventy-five per 431
cent, were that portion to be subject to taxation. The board of 432
county commissioners shall certify its resolution to the 433
legislative authority not later than thirty days after receipt 434
of the notice. 435

(3) If the board of county commissioners does not object 436
or fails to certify its resolution objecting to an exemption 437
within thirty days after receipt of the notice, the legislative 438
authority may adopt the ordinance, and no compensation shall be 439
provided to the board of county commissioners. If the board 440
timely certifies its resolution objecting to the ordinance, the 441
legislative authority may adopt the ordinance at any time after 442
a mutually acceptable compensation agreement is agreed to by the 443
board and the legislative authority, or, if no compensation 444
agreement is negotiated, at any time after the legislative 445
authority agrees in the proposed ordinance to provide 446
compensation to the board of fifty per cent of the taxes that 447
would be payable to the county in the eleventh and subsequent 448

years of the exemption period or on the portion of the 449
improvement in excess of seventy-five per cent, were that 450
portion to be subject to taxation. 451

(F) Service payments in lieu of taxes that are 452
attributable to any amount by which the effective tax rate of 453
either a renewal levy with an increase or a replacement levy 454
exceeds the effective tax rate of the levy renewed or replaced, 455
or that are attributable to an additional levy, for a levy 456
authorized by the voters for any of the following purposes on or 457
after January 1, 2006, and which are provided pursuant to an 458
ordinance creating an incentive district under division (C) (1) 459
of this section that is adopted on or after January 1, 2006, or 460
a later date as specified in this division, shall be distributed 461
to the appropriate taxing authority as required under division 462
(C) of section 5709.42 of the Revised Code in an amount equal to 463
the amount of taxes from that additional levy or from the 464
increase in the effective tax rate of such renewal or 465
replacement levy that would have been payable to that taxing 466
authority from the following levies were it not for the 467
exemption authorized under division (C) of this section: 468

(1) A tax levied under division (L) of section 5705.19 or 469
section 5705.191 or 5705.222 of the Revised Code for community 470
developmental disabilities programs and services pursuant to 471
Chapter 5126. of the Revised Code; 472

(2) A tax levied under division (Y) of section 5705.19 of 473
the Revised Code for providing or maintaining senior citizens 474
services or facilities; 475

(3) A tax levied under section 5705.22 of the Revised Code 476
for county hospitals; 477

(4) A tax levied by a joint-county district or by a county	478
under section 5705.19, 5705.191, or 5705.221 of the Revised Code	479
for alcohol, drug addiction, and mental health services or	480
facilities;	481
(5) A tax levied under section 5705.23 of the Revised Code	482
for library purposes;	483
(6) A tax levied under section 5705.24 of the Revised Code	484
for the support of children services and the placement and care	485
of children;	486
(7) A tax levied under division (Z) of section 5705.19 of	487
the Revised Code for the provision and maintenance of zoological	488
park services and facilities under section 307.76 of the Revised	489
Code;	490
(8) A tax levied under section 511.27 or division (H) of	491
section 5705.19 of the Revised Code for the support of township	492
park districts;	493
(9) A tax levied under division (A), (F), or (H) of	494
section 5705.19 of the Revised Code for parks and recreational	495
purposes of a joint recreation district organized pursuant to	496
division (B) of section 755.14 of the Revised Code;	497
(10) A tax levied under section 1545.20 or 1545.21 of the	498
Revised Code for park district purposes;	499
(11) A tax levied under section 5705.191 of the Revised	500
Code for the purpose of making appropriations for public	501
assistance; human or social services; public relief; public	502
welfare; public health and hospitalization; and support of	503
general hospitals;	504
(12) A tax levied under section 3709.29 of the Revised	505

Code for a general health district program. 506

(13) A tax levied by a township under section 505.39, 507
division (I) of section 5705.19, or division (JJ) of section 508
5705.19 of the Revised Code to the extent the proceeds are used 509
for the purposes described in division (I) of that section, for 510
the purpose of funding fire, emergency medical, and ambulance 511
services as described in that section and those divisions. 512
Division (F) (13) of this section applies only if the township 513
levying the tax provides fire, emergency medical, or ambulance 514
services in the incentive district, and only to incentive 515
districts created by an ordinance adopted on or after the 516
effective date of the amendment of this section by H.B. 69 of 517
the 132nd general assembly, March 23, 2018. The board of 518
township trustees may, by resolution, waive the application of 519
this division or negotiate with the municipal corporation that 520
created the district for a lesser amount of payments in lieu of 521
taxes. 522

(G) An exemption from taxation granted under this section 523
commences with the tax year specified in the ordinance so long 524
as the year specified in the ordinance commences after the 525
effective date of the ordinance. If the ordinance specifies a 526
year commencing before the effective date of the resolution or 527
specifies no year whatsoever, the exemption commences with the 528
tax year in which an exempted improvement first appears on the 529
tax list and duplicate of real and public utility property and 530
that commences after the effective date of the ordinance. In 531
lieu of stating a specific year, the ordinance may provide that 532
the exemption commences in the tax year in which the value of an 533
improvement exceeds a specified amount or in which the 534
construction of one or more improvements is completed, provided 535
that such tax year commences after the effective date of the 536

ordinance. With respect to the exemption of improvements to 537
parcels under division (B) of this section, the ordinance may 538
allow for the exemption to commence in different tax years on a 539
parcel-by-parcel basis, with a separate exemption term specified 540
for each parcel. 541

Except as otherwise provided in this division or section 542
5709.51 of the Revised Code, the exemption ends on the date 543
specified in the ordinance as the date the improvement ceases to 544
be a public purpose or the incentive district expires, or ends 545
on the date on which the public infrastructure improvements and 546
housing renovations are paid in full from the municipal public 547
improvement tax increment equivalent fund established under 548
division (A) of section 5709.43 of the Revised Code, whichever 549
occurs first. The exemption of an improvement with respect to a 550
parcel or within an incentive district may end on a later date, 551
as specified in the ordinance, if the legislative authority and 552
the board of education of the city, local, or exempted village 553
school district within which the parcel or district is located 554
have entered into a compensation agreement under section 5709.82 555
of the Revised Code with respect to the improvement, and the 556
board of education has approved the term of the exemption under 557
division (D) (2) of this section, but in no case shall the 558
improvement be exempted from taxation for more than thirty 559
years. Exemptions shall be claimed and allowed in the same 560
manner as in the case of other real property exemptions. If an 561
exemption status changes during a year, the procedure for the 562
apportionment of the taxes for that year is the same as in the 563
case of other changes in tax exemption status during the year. 564

(H) Additional municipal financing of public 565
infrastructure improvements and housing renovations may be 566
provided by any methods that the municipal corporation may 567

otherwise use for financing such improvements or renovations. If 568
the municipal corporation issues bonds or notes to finance the 569
public infrastructure improvements and housing renovations and 570
pledges money from the municipal public improvement tax 571
increment equivalent fund to pay the interest on and principal 572
of the bonds or notes, the bonds or notes are not subject to 573
Chapter 133. of the Revised Code. 574

(I) The municipal corporation, not later than fifteen days 575
after the adoption of an ordinance under this section, shall 576
submit to the director of development a copy of the ordinance. 577
On or before the thirty-first day of March of each year, the 578
municipal corporation shall submit a status report to the 579
director. The report shall indicate, in the manner prescribed by 580
the director, the progress of the project during each year that 581
an exemption remains in effect, including a summary of the 582
receipts from service payments in lieu of taxes; expenditures of 583
money from the funds created under section 5709.43 of the 584
Revised Code; a description of the public infrastructure 585
improvements and housing renovations financed with such 586
expenditures; and a quantitative summary of changes in 587
employment and private investment resulting from each project. 588

(J) Nothing in this section shall be construed to prohibit 589
a legislative authority from declaring to be a public purpose 590
improvements with respect to more than one parcel. 591

(K) If a parcel is located in a new community district in 592
which the new community authority imposes a community 593
development charge on the basis of rentals received from leases 594
of real property as described in division (L) (2) of section 595
349.01 of the Revised Code, the parcel may not be exempted from 596
taxation under this section. 597

Sec. 5709.41. (A) As used in this section: 598

(1) "Business day" means a day of the week excluding 599
Saturday, Sunday, and a legal holiday as defined under section 600
1.14 of the Revised Code. 601

(2) "Improvement" means the increase in assessed value of 602
any parcel of property subsequent to the acquisition of the 603
parcel by a municipal corporation engaged in urban redevelopment 604
or by a township engaged in redevelopment. 605

(3) "Electing subdivision," "land reutilization program," 606
and "county land reutilization corporation" have the same 607
meanings as in section 5722.01 of the Revised Code. 608

(4) "Qualifying nonprofit organization" has the same 609
meaning as in section 5709.40 of the Revised Code. 610

(B) The legislative authority of a municipal corporation 611
or township, by ordinance or resolution, may declare to be a 612
public purpose any improvement to a parcel of real property if 613
both of the following apply: 614

(1) The municipal corporation or township held fee title 615
to the parcel prior to the adoption of the ordinance or 616
resolution; 617

(2) The parcel is leased, or the fee of the parcel is 618
conveyed, to any person either before or after adoption of the 619
ordinance or resolution. 620

Improvements used or to be used for residential purposes 621
may be declared a public purpose under this section only if the 622
parcel is located in a blighted area of an impacted city, in the 623
case of a municipal corporation, or in a blighted area, in the 624
case of a township, as those terms are defined in section 625

1728.01 of the Revised Code. For this purpose, "parcel that is
used or to be used for residential purposes" means a parcel
that, as improved, is used or to be used for purposes that would
cause the tax commissioner to classify the parcel as residential
property in accordance with rules adopted by the commissioner
under section 5713.041 of the Revised Code.

If the municipal corporation or township is an electing
subdivision, if a qualifying nonprofit organization operates
exclusively within the municipal corporation or the
unincorporated territory of the township, or if the municipal
corporation has territory in, or the township is in a county
that has established a county land reutilization corporation,
such an ordinance or resolution may designate a portion, not to
exceed ten per cent, of any service payments required under
section 5709.42 or 5709.74 of the Revised Code for the use of
the applicable land reutilization program, organization, or
corporation.

(C) Except as otherwise provided in division (C) (1), (2),
or (3) of this section, not more than seventy-five per cent of
an improvement thus declared to be a public purpose may be
exempted from real property taxation. The ordinance or
resolution shall specify the percentage of the improvement to be
exempted from taxation. If a parcel is located in a new
community district in which the new community authority imposes
a community development charge on the basis of rentals received
from leases of real property as described in division (L) (2) of
section 349.01 of the Revised Code, the parcel may not be
exempted from taxation under this section.

(1) If the ordinance or resolution declaring improvements
to a parcel to be a public purpose specifies that payments in

lieu of taxes provided for in section 5709.42 or 5709.74 of the
Revised Code shall be paid to the city, local, or exempted
village school district in which the parcel is located in the
amount of the taxes that would have been payable to the school
district if the improvements had not been exempted from
taxation, the percentage of the improvement that may be exempted
from taxation may exceed seventy-five per cent, and the
exemption may be granted for up to thirty years, without the
approval of the board of education as otherwise required under
division (C) (2) of this section.

(2) Improvements may be exempted from taxation for up to
ten years or, with the approval of the board of education of the
city, local, or exempted village school district within the
territory of which the improvements are or will be located, for
up to thirty years. The percentage of the improvement exempted
from taxation may, with such approval, exceed seventy-five per
cent, but shall not exceed one hundred per cent. Not later than
forty-five business days prior to adopting an ordinance or
resolution under this section, the legislative authority shall
deliver to the board of education a notice stating its intent to
declare improvements to be a public purpose under this section.
The notice shall describe the parcel and the improvements,
provide an estimate of the true value in money of the
improvements, specify the period for which the improvements
would be exempted from taxation and the percentage of the
improvements that would be exempted, and indicate the date on
which the legislative authority intends to adopt the ordinance
or resolution. The board of education, by resolution adopted by
a majority of the board, may approve the exemption for the
period or for the exemption percentage specified in the notice,
may disapprove the exemption for the number of years in excess

of ten, may disapprove the exemption for the percentage of the 687
improvements to be exempted in excess of seventy-five per cent, 688
or both, or may approve the exemption on the condition that the 689
legislative authority and the board negotiate an agreement 690
providing for compensation to the school district equal in value 691
to a percentage of the amount of taxes exempted in the eleventh 692
and subsequent years of the exemption period, or, in the case of 693
exemption percentages in excess of seventy-five per cent, 694
compensation equal in value to a percentage of the taxes that 695
would be payable on the portion of the improvement in excess of 696
seventy-five per cent were that portion to be subject to 697
taxation. The board of education shall certify its resolution to 698
the legislative authority not later than fourteen days prior to 699
the date the legislative authority intends to adopt the 700
ordinance or resolution as indicated in the notice. If the board 701
of education approves the exemption on the condition that a 702
compensation agreement be negotiated, the board in its 703
resolution shall propose a compensation percentage. If the board 704
of education and the legislative authority negotiate a mutually 705
acceptable compensation agreement, the ordinance or resolution 706
may declare the improvements a public purpose for the number of 707
years specified in the ordinance or resolution or, in the case 708
of exemption percentages in excess of seventy-five per cent, for 709
the exemption percentage specified in the ordinance or 710
resolution. In either case, if the board and the legislative 711
authority fail to negotiate a mutually acceptable compensation 712
agreement, the ordinance or resolution may declare the 713
improvements a public purpose for not more than ten years, but 714
shall not exempt more than seventy-five per cent of the 715
improvements from taxation. If the board fails to certify a 716
resolution to the legislative authority within the time 717
prescribed by this division, the legislative authority thereupon 718

may adopt the ordinance or resolution and may declare the 719
improvements a public purpose for up to thirty years. The 720
legislative authority may adopt the ordinance or resolution at 721
any time after the board of education certifies its resolution 722
approving the exemption to the legislative authority, or, if the 723
board approves the exemption on the condition that a mutually 724
acceptable compensation agreement be negotiated, at any time 725
after the compensation agreement is agreed to by the board and 726
the legislative authority. If a mutually acceptable compensation 727
agreement is negotiated between the legislative authority and 728
the board, including agreements for payments in lieu of taxes 729
under section 5709.42 or 5709.74 of the Revised Code, the 730
legislative authority shall compensate the joint vocational 731
school district within the territory of which the improvements 732
are or will be located at the same rate and under the same terms 733
received by the city, local, or exempted village school 734
district. 735

(3) If a board of education has adopted a resolution 736
waiving its right to approve exemptions from taxation and the 737
resolution remains in effect, approval of exemptions by the 738
board is not required under this division. If a board of 739
education has adopted a resolution allowing a legislative 740
authority to deliver the notice required under this division 741
fewer than forty-five business days prior to the legislative 742
authority's adoption of the ordinance or resolution, the 743
legislative authority shall deliver the notice to the board not 744
later than the number of days prior to such adoption as 745
prescribed by the board in its resolution. If a board of 746
education adopts a resolution waiving its right to approve 747
exemptions or shortening the notification period, the board 748
shall certify a copy of the resolution to the legislative 749

authority. If the board of education rescinds such a resolution, 750
it shall certify notice of the rescission to the legislative 751
authority. 752

(4) If the legislative authority is not required by 753
division (C) (1), (2), or (3) of this section to notify the board 754
of education of the legislative authority's intent to declare 755
improvements to be a public purpose, the legislative authority 756
shall comply with the notice requirements imposed under section 757
5709.83 of the Revised Code, unless the board has adopted a 758
resolution under that section waiving its right to receive such 759
a notice. 760

(5) Nothing in division (C) of this section prohibits the 761
legislative authority of a municipal corporation or township 762
from amending the ordinance or resolution under section 5709.51 763
of the Revised Code to extend the term of the exemption. 764

(D) An exemption granted under this section commences with 765
the tax year specified in the ordinance or resolution so long as 766
the year specified in the ordinance or resolution commences 767
after the effective date of the ordinance or resolution. If the 768
ordinance or resolution specifies a year commencing before the 769
effective date of the ordinance or resolution or specifies no 770
year, the exemption commences with the tax year in which an 771
exempted improvement first appears on the tax list and that 772
commences after the effective date of the ordinance or 773
resolution. In lieu of stating a specific year, the ordinance or 774
resolution may provide that the exemption commences in the tax 775
year in which the value of an improvement exceeds a specified 776
amount or in which the construction of one or more improvements 777
is completed, provided that such tax year commences after the 778
effective date of the ordinance or resolution. In lieu of 779

stating a specific year, the ordinance or resolution may allow 780
for the exemption to commence in different tax years on a 781
parcel-by-parcel basis, with a separate exemption term specified 782
for each parcel. The exemption ends on the date specified in the 783
ordinance or resolution as the date the improvement ceases to be 784
a public purpose. The exemption shall be claimed and allowed in 785
the same or a similar manner as in the case of other real 786
property exemptions. If an exemption status changes during a tax 787
year, the procedure for the apportionment of the taxes for that 788
year is the same as in the case of other changes in tax 789
exemption status during the year. 790

(E) A municipal corporation or township, not later than 791
fifteen days after the adoption of an ordinance or resolution 792
granting a tax exemption under this section, shall submit to the 793
director of development a copy of the ordinance or resolution. 794
On or before the thirty-first day of March each year, the 795
municipal corporation or township shall submit a status report 796
to the director of development outlining the progress of the 797
project during each year that the exemption remains in effect. 798

Sec. 5709.43. (A) A municipal corporation that grants a 799
tax exemption under section 5709.40 of the Revised Code shall 800
establish a municipal public improvement tax increment 801
equivalent fund into which shall be deposited service payments 802
in lieu of taxes distributed to the municipal corporation under 803
section 5709.42 of the Revised Code. If the legislative 804
authority of the municipal corporation has adopted an ordinance 805
under division (C) of section 5709.40 of the Revised Code, the 806
municipal corporation shall establish at least one account in 807
that fund with respect to ordinances adopted under division (B) 808
of that section, and one account with respect to each incentive 809
district created in an ordinance adopted under division (C) of 810

that section. If an ordinance adopted under division (C) of 811
section 5709.40 of the Revised Code also authorizes the use of 812
service payments for housing renovations within the district, 813
the municipal corporation shall establish separate accounts for 814
the service payments designated for public infrastructure 815
improvements and for the service payments authorized for the 816
purpose of housing renovations. ~~Money~~ If an ordinance adopted 817
under division (B) or (C) of section 5709.40 or section 5709.41 818
of the Revised Code also authorizes the use of service payments 819
for the benefit of a land reutilization program, a qualifying 820
nonprofit organization, or a county land reutilization 821
corporation, the municipal corporation shall create in its 822
treasury a special fund called the land reutilization TIF fund 823
into which shall be deposited service payments in lieu of taxes 824
distributed to the municipal corporation under section 5709.42 825
of the Revised Code in the amount designated for the use of the 826
program, organization, or corporation. 827

Money in an account of the municipal public improvement 828
tax increment equivalent fund shall be used to finance the 829
public infrastructure improvements designated in, or the housing 830
renovations authorized by, the ordinance with respect to which 831
the account is established; in the case of an account 832
established with respect to an ordinance adopted under division 833
(C) of that section, money in the account shall be used to 834
finance the public infrastructure improvements designated, or 835
the housing renovations authorized, for each incentive district 836
created in the ordinance. Money in an account shall not be used 837
to finance or support housing renovations that take place after 838
the incentive district has expired. The municipal corporation 839
also may deposit into any of those accounts municipal income tax 840
revenue that has been designated by ordinance to finance the 841

public infrastructure improvements and housing renovations. 842

Money in a land reutilization TIF fund shall be 843
appropriated and allocated or disbursed to the municipal 844
corporation's land reutilization program, a qualifying nonprofit 845
organization operating exclusively within the municipal 846
corporation, or a county land reutilization corporation within 847
which the municipal corporation has territory. The program, 848
organization, or corporation shall use the proceeds received 849
from that fund exclusively for economic development. 850

(B) A municipal corporation may establish an urban 851
redevelopment tax increment equivalent fund, by resolution or 852
ordinance of its legislative authority, into which shall be 853
deposited service payments in lieu of taxes distributed to the 854
municipal corporation by the county treasurer as provided in 855
section 5709.42 of the Revised Code for improvements exempt from 856
taxation pursuant to an ordinance adopted under section 5709.41 857
of the Revised Code. Moneys deposited in the urban redevelopment 858
tax increment equivalent fund shall be used for such purposes as 859
are authorized in the resolution or ordinance establishing the 860
fund. The municipal corporation also may deposit into the urban 861
redevelopment tax increment equivalent fund municipal income tax 862
revenue that has been dedicated to fund any of the purposes for 863
which the fund is established. 864

(C) (1) (a) A municipal corporation may distribute money in 865
the municipal public improvement tax increment equivalent fund 866
or the urban redevelopment tax increment equivalent fund to any 867
school district in which the exempt property is located, in an 868
amount not to exceed the amount of real property taxes that such 869
school district would have received from the improvement if it 870
were not exempt from taxation, or use money in either or both 871

funds to finance specific public improvements benefiting the 872
school district. The resolution or ordinance establishing the 873
fund shall set forth the percentage of such maximum amount that 874
will be distributed to any affected school district or used to 875
finance specific public improvements benefiting the school 876
district. 877

(b) A municipal corporation also may distribute money in 878
the municipal public improvement tax increment equivalent fund 879
or the urban redevelopment tax increment equivalent fund as 880
follows: 881

(i) To a board of county commissioners, in the amount that 882
is owed to the board pursuant to division (E) of section 5709.40 883
of the Revised Code; 884

(ii) To a county in accordance with section 5709.913 of 885
the Revised Code. 886

(2) Money from an account in a municipal public 887
improvement tax increment equivalent fund or from an urban 888
redevelopment tax increment equivalent fund may be distributed 889
under division (C) (1) (b) of this section, regardless of the date 890
a resolution or an ordinance was adopted under section 5709.40 891
or 5709.41 of the Revised Code that prompted the establishment 892
of the account or the establishment of the urban redevelopment 893
tax increment equivalent fund, even if the resolution or 894
ordinance was adopted prior to March 30, 2006. 895

(D) Any incidental surplus remaining in the municipal 896
public improvement tax increment equivalent fund or an account 897
of that fund, or in the urban redevelopment tax increment 898
equivalent fund, upon dissolution of the account or fund shall 899
be transferred to the general fund of the municipal corporation. 900

Sec. 5709.73. (A) As used in this section and section 901
5709.74 of the Revised Code: 902

(1) "Business day" means a day of the week excluding 903
Saturday, Sunday, and a legal holiday as defined in section 1.14 904
of the Revised Code. 905

(2) "Further improvements" or "improvements" means the 906
increase in the assessed value of real property that would first 907
appear on the tax list and duplicate of real and public utility 908
property after the effective date of a resolution adopted under 909
this section were it not for the exemption granted by that 910
resolution. For purposes of division (B) of this section, 911
"improvements" do not include any property used or to be used 912
for residential purposes. For this purpose, "property that is 913
used or to be used for residential purposes" means property 914
that, as improved, is used or to be used for purposes that would 915
cause the tax commissioner to classify the property as 916
residential property in accordance with rules adopted by the 917
commissioner under section 5713.041 of the Revised Code. 918

(3) "Housing renovation" means a project carried out for 919
residential purposes. 920

(4) "Incentive district" has the same meaning as in 921
section 5709.40 of the Revised Code, except that a blighted area 922
is in the unincorporated area of a township. 923

(5) "Overlay" has the same meaning as in section 5709.40 924
of the Revised Code, except that the overlay is delineated by 925
the board of township trustees. 926

(6) ~~"Project" and~~ "Project," "public infrastructure 927
~~improvement" improvement,"~~ and "qualifying nonprofit 928
organization" have the same meanings as in section 5709.40 of 929

the Revised Code. 930

(7) "Urban township" has the same meaning as in section 931
504.01 of the Revised Code. 932

(8) "Electing subdivision," "land reutilization program," 933
and "county land reutilization corporation" have the same 934
meanings as in section 5722.01 of the Revised Code. 935

(B) A board of township trustees may adopt a resolution 936
that declares to be a public purpose any public infrastructure 937
improvements made that are necessary for the development of 938
certain parcels of land located in the unincorporated area of 939
the township. Except for a resolution adopted by the board of an 940
urban township, the resolution shall be adopted by a unanimous 941
vote of the board. Except as otherwise provided under division 942
(D) of this section or section 5709.51 of the Revised Code, the 943
resolution may exempt from real property taxation not more than 944
seventy-five per cent of further improvements to a parcel of 945
land that directly benefits from the public infrastructure 946
improvements, for a period of not more than ten years. The 947
resolution shall specify the percentage of the further 948
improvements to be exempted and the life of the exemption. 949

If the township is an electing subdivision, if a 950
qualifying nonprofit organization operates exclusively within 951
the unincorporated territory of the township, or the township is 952
in a county that has established a county land reutilization 953
corporation, a resolution adopted under this division may 954
designate a portion, not to exceed ten per cent, of any service 955
payments required under section 5709.74 of the Revised Code for 956
the use of the applicable land reutilization program, 957
organization, or corporation. 958

(C) (1) A board of township trustees may adopt a resolution 959
creating an incentive district and declaring improvements to 960
parcels within the district to be a public purpose and, except 961
as provided in division (C) (2) of this section, exempt from 962
taxation as provided in this section. Except for a resolution 963
adopted by the board of an urban township, the resolution shall 964
be adopted by a unanimous vote of the board. A board of township 965
trustees of a township that has a population that exceeds 966
twenty-five thousand, as shown by the most recent federal 967
decennial census, may not adopt a resolution that creates an 968
incentive district if the sum of the taxable value of real 969
property in the proposed district for the preceding tax year and 970
the taxable value of all real property in the township that 971
would have been taxable in the preceding year were it not for 972
the fact that the property was in an existing incentive district 973
and therefore exempt from taxation exceeds twenty-five per cent 974
of the taxable value of real property in the township for the 975
preceding tax year. The district shall be located within the 976
unincorporated area of the township and shall not include any 977
territory that is included within a district created under 978
division (B) of section 5709.78 of the Revised Code. The 979
resolution shall delineate the boundary of the proposed district 980
and specifically identify each parcel within the district. A 981
proposed district may not include any parcel that is or has been 982
exempted from taxation under division (B) of this section or 983
that is or has been within another district created under this 984
division. A resolution may create more than one such district, 985
and more than one resolution may be adopted under division (C) 986
(1) of this section. 987

(2) (a) Not later than thirty days prior to adopting a 988
resolution under division (C) (1) of this section, if the 989

township intends to apply for exemptions from taxation under 990
section 5709.911 of the Revised Code on behalf of owners of real 991
property located within the proposed incentive district, the 992
board shall conduct a public hearing on the proposed resolution. 993
Not later than thirty days prior to the public hearing, the 994
board shall give notice of the public hearing and the proposed 995
resolution by first class mail to every real property owner 996
whose property is located within the boundaries of the proposed 997
incentive district that is the subject of the proposed 998
resolution. The notice shall include a map of the proposed 999
incentive district on which the board of township trustees shall 1000
have delineated an overlay. The notice shall inform the property 1001
owner of the owner's right to exclude the owner's property from 1002
the incentive district if both of the following conditions are 1003
met: 1004

(i) The owner's entire parcel of property will not be 1005
located within the overlay. 1006

(ii) The owner has submitted a statement to the board of 1007
county commissioners of the county in which the parcel is 1008
located indicating the owner's intent to seek a tax exemption 1009
for improvements to the owner's parcel under division (A) or (B) 1010
of section 5709.78 of the Revised Code within the next five 1011
years. 1012

When both of the preceding conditions are met, the owner 1013
may exclude the owner's property from the incentive district by 1014
submitting a written response in accordance with division (C) (2) 1015
(b) of this section. The notice also shall include information 1016
detailing the required contents of the response, the address to 1017
which the response may be mailed, and the deadline for 1018
submitting the response. 1019

(b) Any owner of real property located within the 1020
boundaries of an incentive district proposed under division (C) 1021
(1) of this section who meets the conditions specified in 1022
divisions (C) (2) (a) (i) and (ii) of this section may exclude the 1023
property from the proposed incentive district by submitting a 1024
written response to the board not later than forty-five days 1025
after the postmark date on the notice required under division 1026
(C) (2) (a) of this section. The response shall include a copy of 1027
the statement submitted under division (C) (2) (a) (ii) of this 1028
section. The response shall be sent by first class mail or 1029
delivered in person at a public hearing held by the board under 1030
division (C) (2) (a) of this section. The response shall conform 1031
to any content requirements that may be established by the board 1032
and included in the notice provided under division (C) (2) (a) of 1033
this section. In the response, property owners may identify a 1034
parcel by street address, by the manner in which it is 1035
identified in the resolution, or by other means allowing the 1036
identity of the parcel to be ascertained. 1037

(c) Before adopting a resolution under division (C) (1) of 1038
this section, the board shall amend the resolution to exclude 1039
any parcel for which a written response has been submitted under 1040
division (C) (2) (b) of this section. A township shall not apply 1041
for exemptions from taxation under section 5709.911 of the 1042
Revised Code for any such parcel, and service payments may not 1043
be required from the owner of the parcel. Improvements to a 1044
parcel excluded from an incentive district under this division 1045
may be exempted from taxation under division (B) of this section 1046
pursuant to a resolution adopted under that division or under 1047
any other section of the Revised Code under which the parcel 1048
qualifies. 1049

(3) (a) A resolution adopted under division (C) (1) of this 1050

section shall specify the life of the incentive district and the 1051
percentage of the improvements to be exempted, shall designate 1052
the public infrastructure improvements made, to be made, or in 1053
the process of being made, that benefit or serve, or, once made, 1054
will benefit or serve parcels in the district. The resolution 1055
also shall identify one or more specific projects being, or to 1056
be, undertaken in the district that place additional demand on 1057
the public infrastructure improvements designated in the 1058
resolution. The project identified may, but need not be, the 1059
project under division (C) (3) (b) of this section that places 1060
real property in use for commercial or industrial purposes. 1061

A resolution adopted under division (C) (1) of this section 1062
on or after March 30, 2006, shall not designate police or fire 1063
equipment as public infrastructure improvements, and, except as 1064
provided in division (F) of this section, no service payment 1065
provided for in section 5709.74 of the Revised Code and received 1066
by the township under the resolution shall be used for police or 1067
fire equipment. 1068

(b) A resolution adopted under division (C) (1) of this 1069
section may authorize the use of service payments provided for 1070
in section 5709.74 of the Revised Code for the purpose of 1071
housing renovations within the incentive district, provided that 1072
the resolution also designates public infrastructure 1073
improvements that benefit or serve the district, and that a 1074
project within the district places real property in use for 1075
commercial or industrial purposes. Service payments may be used 1076
to finance or support loans, deferred loans, and grants to 1077
persons for the purpose of housing renovations within the 1078
district. The resolution shall designate the parcels within the 1079
district that are eligible for housing renovations. The 1080
resolution shall state separately the amount or the percentages 1081

of the expected aggregate service payments that are designated 1082
for each public infrastructure improvement and for the purpose 1083
of housing renovations. 1084

(c) If the township is an electing subdivision, if a 1085
qualifying nonprofit organization operates exclusively within 1086
the unincorporated area of the township, or the township is in a 1087
county that has established a county land reutilization 1088
corporation, a resolution adopted under division (C)(1) of this 1089
section may designate a portion, not to exceed ten per cent, of 1090
any service payments required under section 5709.74 of the 1091
Revised Code for the use of the applicable land reutilization 1092
program, organization, or corporation. 1093

(4) Except with the approval of the board of education of 1094
each city, local, or exempted village school district within the 1095
territory of which the incentive district is or will be located, 1096
and subject to division (E) of this section, the life of an 1097
incentive district shall not exceed ten years, and the 1098
percentage of improvements to be exempted shall not exceed 1099
seventy-five per cent. With approval of the board of education, 1100
the life of a district may be not more than thirty years, and 1101
the percentage of improvements to be exempted may be not more 1102
than one hundred per cent. The approval of a board of education 1103
shall be obtained in the manner provided in division (D) of this 1104
section. 1105

(D) Improvements with respect to a parcel may be exempted 1106
from taxation under division (B) of this section, and 1107
improvements to parcels within an incentive district may be 1108
exempted from taxation under division (C) of this section, for 1109
up to ten years or, with the approval of the board of education 1110
of the city, local, or exempted village school district within 1111

which the parcel or district is located, for up to thirty years. 1112
The percentage of the improvements exempted from taxation may, 1113
with such approval, exceed seventy-five per cent, but shall not 1114
exceed one hundred per cent. Not later than forty-five business 1115
days prior to adopting a resolution under this section declaring 1116
improvements to be a public purpose that is subject to approval 1117
by a board of education under this division, the board of 1118
township trustees shall deliver to the board of education a 1119
notice stating its intent to adopt a resolution making that 1120
declaration. The notice regarding improvements with respect to a 1121
parcel under division (B) of this section shall identify the 1122
parcels for which improvements are to be exempted from taxation, 1123
provide an estimate of the true value in money of the 1124
improvements, specify the period for which the improvements 1125
would be exempted from taxation and the percentage of the 1126
improvements that would be exempted, and indicate the date on 1127
which the board of township trustees intends to adopt the 1128
resolution. The notice regarding improvements made under 1129
division (C) of this section to parcels within an incentive 1130
district shall delineate the boundaries of the district, 1131
specifically identify each parcel within the district, identify 1132
each anticipated improvement in the district, provide an 1133
estimate of the true value in money of each such improvement, 1134
specify the life of the district and the percentage of 1135
improvements that would be exempted, and indicate the date on 1136
which the board of township trustees intends to adopt the 1137
resolution. The board of education, by resolution adopted by a 1138
majority of the board, may approve the exemption for the period 1139
or for the exemption percentage specified in the notice; may 1140
disapprove the exemption for the number of years in excess of 1141
ten, may disapprove the exemption for the percentage of the 1142
improvements to be exempted in excess of seventy-five per cent, 1143

or both; or may approve the exemption on the condition that the 1144
board of township trustees and the board of education negotiate 1145
an agreement providing for compensation to the school district 1146
equal in value to a percentage of the amount of taxes exempted 1147
in the eleventh and subsequent years of the exemption period or, 1148
in the case of exemption percentages in excess of seventy-five 1149
per cent, compensation equal in value to a percentage of the 1150
taxes that would be payable on the portion of the improvements 1151
in excess of seventy-five per cent were that portion to be 1152
subject to taxation, or other mutually agreeable compensation. 1153

The board of education shall certify its resolution to the 1154
board of township trustees not later than fourteen days prior to 1155
the date the board of township trustees intends to adopt the 1156
resolution as indicated in the notice. If the board of education 1157
and the board of township trustees negotiate a mutually 1158
acceptable compensation agreement, the resolution may declare 1159
the improvements a public purpose for the number of years 1160
specified in the resolution or, in the case of exemption 1161
percentages in excess of seventy-five per cent, for the 1162
exemption percentage specified in the resolution. In either 1163
case, if the board of education and the board of township 1164
trustees fail to negotiate a mutually acceptable compensation 1165
agreement, the resolution may declare the improvements a public 1166
purpose for not more than ten years, and shall not exempt more 1167
than seventy-five per cent of the improvements from taxation. If 1168
the board of education fails to certify a resolution to the 1169
board of township trustees within the time prescribed by this 1170
section, the board of township trustees thereupon may adopt the 1171
resolution and may declare the improvements a public purpose for 1172
up to thirty years or, in the case of exemption percentages 1173
proposed in excess of seventy-five per cent, for the exemption 1174

percentage specified in the resolution. The board of township 1175
trustees may adopt the resolution at any time after the board of 1176
education certifies its resolution approving the exemption to 1177
the board of township trustees, or, if the board of education 1178
approves the exemption on the condition that a mutually 1179
acceptable compensation agreement be negotiated, at any time 1180
after the compensation agreement is agreed to by the board of 1181
education and the board of township trustees. If a mutually 1182
acceptable compensation agreement is negotiated between the 1183
board of township trustees and the board of education, including 1184
agreements for payments in lieu of taxes under section 5709.74 1185
of the Revised Code, the board of township trustees shall 1186
compensate the joint vocational school district within which the 1187
parcel or district is located at the same rate and under the 1188
same terms received by the city, local, or exempted village 1189
school district. 1190

If a board of education has adopted a resolution waiving 1191
its right to approve exemptions from taxation under this section 1192
and the resolution remains in effect, approval of such 1193
exemptions by the board of education is not required under 1194
division (D) of this section. If a board of education has 1195
adopted a resolution allowing a board of township trustees to 1196
deliver the notice required under division (D) of this section 1197
fewer than forty-five business days prior to adoption of the 1198
resolution by the board of township trustees, the board of 1199
township trustees shall deliver the notice to the board of 1200
education not later than the number of days prior to the 1201
adoption as prescribed by the board of education in its 1202
resolution. If a board of education adopts a resolution waiving 1203
its right to approve exemptions or shortening the notification 1204
period, the board of education shall certify a copy of the 1205

resolution to the board of township trustees. If the board of 1206
education rescinds the resolution, it shall certify notice of 1207
the rescission to the board of township trustees. 1208

If the board of township trustees is not required by 1209
division (D) of this section to notify the board of education of 1210
the board of township trustees' intent to declare improvements 1211
to be a public purpose, the board of township trustees shall 1212
comply with the notice requirements imposed under section 1213
5709.83 of the Revised Code before taking formal action to adopt 1214
the resolution making that declaration, unless the board of 1215
education has adopted a resolution under that section waiving 1216
its right to receive the notice. 1217

Nothing in this division prohibits the board of township 1218
trustees from amending the resolution under section 5709.51 of 1219
the Revised Code to extend the term of the exemption. 1220

(E) (1) If a proposed resolution under division (C) (1) of 1221
this section exempts improvements with respect to a parcel 1222
within an incentive district for more than ten years, or the 1223
percentage of the improvement exempted from taxation exceeds 1224
seventy-five per cent, not later than forty-five business days 1225
prior to adopting the resolution the board of township trustees 1226
shall deliver to the board of county commissioners of the county 1227
within which the incentive district is or will be located a 1228
notice that states its intent to adopt a resolution creating an 1229
incentive district. The notice shall include a copy of the 1230
proposed resolution, identify the parcels for which improvements 1231
are to be exempted from taxation, provide an estimate of the 1232
true value in money of the improvements, specify the period of 1233
time for which the improvements would be exempted from taxation, 1234
specify the percentage of the improvements that would be 1235

exempted from taxation, and indicate the date on which the board 1236
of township trustees intends to adopt the resolution. 1237

(2) The board of county commissioners, by resolution 1238
adopted by a majority of the board, may object to the exemption 1239
for the number of years in excess of ten, may object to the 1240
exemption for the percentage of the improvement to be exempted 1241
in excess of seventy-five per cent, or both. If the board of 1242
county commissioners objects, the board may negotiate a mutually 1243
acceptable compensation agreement with the board of township 1244
trustees. In no case shall the compensation provided to the 1245
board of county commissioners exceed the property taxes foregone 1246
due to the exemption. If the board of county commissioners 1247
objects, and the board of county commissioners and board of 1248
township trustees fail to negotiate a mutually acceptable 1249
compensation agreement, the resolution adopted under division 1250
(C) (1) of this section shall provide to the board of county 1251
commissioners compensation in the eleventh and subsequent years 1252
of the exemption period equal in value to not more than fifty 1253
per cent of the taxes that would be payable to the county or, if 1254
the board of county commissioner's objection includes an 1255
objection to an exemption percentage in excess of seventy-five 1256
per cent, compensation equal in value to not more than fifty per 1257
cent of the taxes that would be payable to the county, on the 1258
portion of the improvement in excess of seventy-five per cent, 1259
were that portion to be subject to taxation. The board of county 1260
commissioners shall certify its resolution to the board of 1261
township trustees not later than thirty days after receipt of 1262
the notice. 1263

(3) If the board of county commissioners does not object 1264
or fails to certify its resolution objecting to an exemption 1265
within thirty days after receipt of the notice, the board of 1266

township trustees may adopt its resolution, and no compensation 1267
shall be provided to the board of county commissioners. If the 1268
board of county commissioners timely certifies its resolution 1269
objecting to the trustees' resolution, the board of township 1270
trustees may adopt its resolution at any time after a mutually 1271
acceptable compensation agreement is agreed to by the board of 1272
county commissioners and the board of township trustees, or, if 1273
no compensation agreement is negotiated, at any time after the 1274
board of township trustees agrees in the proposed resolution to 1275
provide compensation to the board of county commissioners of 1276
fifty per cent of the taxes that would be payable to the county 1277
in the eleventh and subsequent years of the exemption period or 1278
on the portion of the improvement in excess of seventy-five per 1279
cent, were that portion to be subject to taxation. 1280

(F) Service payments in lieu of taxes that are 1281
attributable to any amount by which the effective tax rate of 1282
either a renewal levy with an increase or a replacement levy 1283
exceeds the effective tax rate of the levy renewed or replaced, 1284
or that are attributable to an additional levy, for a levy 1285
authorized by the voters for any of the following purposes on or 1286
after January 1, 2006, and which are provided pursuant to a 1287
resolution creating an incentive district under division (C)(1) 1288
of this section that is adopted on or after January 1, 2006, or 1289
a later date as specified in this division, shall be distributed 1290
to the appropriate taxing authority as required under division 1291
(C) of section 5709.74 of the Revised Code in an amount equal to 1292
the amount of taxes from that additional levy or from the 1293
increase in the effective tax rate of such renewal or 1294
replacement levy that would have been payable to that taxing 1295
authority from the following levies were it not for the 1296
exemption authorized under division (C) of this section: 1297

(1) A tax levied under division (L) of section 5705.19 or	1298
section 5705.191 or 5705.222 of the Revised Code for community	1299
developmental disabilities programs and services pursuant to	1300
Chapter 5126. of the Revised Code;	1301
(2) A tax levied under division (Y) of section 5705.19 of	1302
the Revised Code for providing or maintaining senior citizens	1303
services or facilities;	1304
(3) A tax levied under section 5705.22 of the Revised Code	1305
for county hospitals;	1306
(4) A tax levied by a joint-county district or by a county	1307
under section 5705.19, 5705.191, or 5705.221 of the Revised Code	1308
for alcohol, drug addiction, and mental health services or	1309
families;	1310
(5) A tax levied under section 5705.23 of the Revised Code	1311
for library purposes;	1312
(6) A tax levied under section 5705.24 of the Revised Code	1313
for the support of children services and the placement and care	1314
of children;	1315
(7) A tax levied under division (Z) of section 5705.19 of	1316
the Revised Code for the provision and maintenance of zoological	1317
park services and facilities under section 307.76 of the Revised	1318
Code;	1319
(8) A tax levied under section 511.27 or division (H) of	1320
section 5705.19 of the Revised Code for the support of township	1321
park districts;	1322
(9) A tax levied under division (A), (F), or (H) of	1323
section 5705.19 of the Revised Code for parks and recreational	1324
purposes of a joint recreation district organized pursuant to	1325

division (B) of section 755.14 of the Revised Code; 1326

(10) A tax levied under section 1545.20 or 1545.21 of the 1327
Revised Code for park district purposes; 1328

(11) A tax levied under section 5705.191 of the Revised 1329
Code for the purpose of making appropriations for public 1330
assistance; human or social services; public relief; public 1331
welfare; public health and hospitalization; and support of 1332
general hospitals; 1333

(12) A tax levied under section 3709.29 of the Revised 1334
Code for a general health district program; 1335

(13) A tax levied by a township under section 505.39, 1336
505.51, or division (I), (J), (U), or (JJ) of section 5705.19 of 1337
the Revised Code for the purpose of funding fire, police, 1338
emergency medical, or ambulance services as described in those 1339
sections. Division (F)(13) of this section applies only to 1340
incentive districts created by a resolution adopted on or after 1341
March 22, 2019, the effective date of the amendment of this 1342
section by H.B. 500 of the 132nd general assembly, and only if 1343
that resolution specifies that division (F) of this section 1344
shall apply to such a tax. 1345

(G) An exemption from taxation granted under this section 1346
commences with the tax year specified in the resolution so long 1347
as the year specified in the resolution commences after the 1348
effective date of the resolution. If the resolution specifies a 1349
year commencing before the effective date of the resolution or 1350
specifies no year whatsoever, the exemption commences with the 1351
tax year in which an exempted improvement first appears on the 1352
tax list and duplicate of real and public utility property and 1353
that commences after the effective date of the resolution. In 1354

lieu of stating a specific year, the resolution may provide that 1355
the exemption commences in the tax year in which the value of an 1356
improvement exceeds a specified amount or in which the 1357
construction of one or more improvements is completed, provided 1358
that such tax year commences after the effective date of the 1359
resolution. With respect to the exemption of improvements to 1360
parcels under division (B) of this section, the resolution may 1361
allow for the exemption to commence in different tax years on a 1362
parcel-by-parcel basis, with a separate exemption term specified 1363
for each parcel. 1364

Except as otherwise provided in this division and section 1365
5709.51 of the Revised Code, the exemption ends on the date 1366
specified in the resolution as the date the improvement ceases 1367
to be a public purpose or the incentive district expires, or 1368
ends on the date on which the public infrastructure improvements 1369
and housing renovations are paid in full from the township 1370
public improvement tax increment equivalent fund established 1371
under section 5709.75 of the Revised Code, whichever occurs 1372
first. The exemption of an improvement with respect to a parcel 1373
or within an incentive district may end on a later date, as 1374
specified in the resolution, if the board of township trustees 1375
and the board of education of the city, local, or exempted 1376
village school district within which the parcel or district is 1377
located have entered into a compensation agreement under section 1378
5709.82 of the Revised Code with respect to the improvement and 1379
the board of education has approved the term of the exemption 1380
under division (D) of this section, but in no case shall the 1381
improvement be exempted from taxation for more than thirty 1382
years. The board of township trustees may, by majority vote, 1383
adopt a resolution permitting the township to enter into such 1384
agreements as the board finds necessary or appropriate to 1385

provide for the construction or undertaking of public 1386
infrastructure improvements and housing renovations. Any 1387
exemption shall be claimed and allowed in the same or a similar 1388
manner as in the case of other real property exemptions. If an 1389
exemption status changes during a tax year, the procedure for 1390
the apportionment of the taxes for that year is the same as in 1391
the case of other changes in tax exemption status during the 1392
year. 1393

(H) The board of township trustees may issue the notes of 1394
the township to finance all costs pertaining to the construction 1395
or undertaking of public infrastructure improvements and housing 1396
renovations made pursuant to this section. The notes shall be 1397
signed by the board and attested by the signature of the 1398
township fiscal officer, shall bear interest not to exceed the 1399
rate provided in section 9.95 of the Revised Code, and are not 1400
subject to Chapter 133. of the Revised Code. The resolution 1401
authorizing the issuance of the notes shall pledge the funds of 1402
the township public improvement tax increment equivalent fund 1403
established pursuant to section 5709.75 of the Revised Code to 1404
pay the interest on and principal of the notes. The notes, which 1405
may contain a clause permitting prepayment at the option of the 1406
board, shall be offered for sale on the open market or given to 1407
the vendor or contractor if no sale is made. 1408

(I) The township, not later than fifteen days after the 1409
adoption of a resolution under this section, shall submit to the 1410
director of development services a copy of the resolution. On or 1411
before the thirty-first day of March of each year, the township 1412
shall submit a status report to the director of development 1413
services. The report shall indicate, in the manner prescribed by 1414
the director, the progress of the project during each year that 1415
the exemption remains in effect, including a summary of the 1416

receipts from service payments in lieu of taxes; expenditures of 1417
money from the fund created under section 5709.75 of the Revised 1418
Code; a description of the public infrastructure improvements 1419
and housing renovations financed with the expenditures; and a 1420
quantitative summary of changes in private investment resulting 1421
from each project. 1422

(J) Nothing in this section shall be construed to prohibit 1423
a board of township trustees from declaring to be a public 1424
purpose improvements with respect to more than one parcel. 1425

If a parcel is located in a new community district in 1426
which the new community authority imposes a community 1427
development charge on the basis of rentals received from leases 1428
of real property as described in division (L) (2) of section 1429
349.01 of the Revised Code, the parcel may not be exempted from 1430
taxation under this section. 1431

(K) A board of township trustees that adopted a resolution 1432
under this section prior to July 21, 1994, may amend that 1433
resolution to include any additional public infrastructure 1434
improvement. A board of township trustees that seeks by the 1435
amendment to utilize money from its township public improvement 1436
tax increment equivalent fund for land acquisition in aid of 1437
industry, commerce, distribution, or research, demolition on 1438
private property, or stormwater and flood remediation projects 1439
may do so provided that the board currently is a party to a 1440
hold-harmless agreement with the board of education of the city, 1441
local, or exempted village school district within the territory 1442
of which are located the parcels that are subject to an 1443
exemption. For the purposes of this division, a "hold-harmless 1444
agreement" means an agreement under which the board of township 1445
trustees agrees to compensate the school district for one 1446

hundred per cent of the tax revenue that the school district 1447
would have received from further improvements to parcels 1448
designated in the resolution were it not for the exemption 1449
granted by the resolution. 1450

(L) Notwithstanding the limitation prescribed by division 1451
(D) of this section on the number of years that improvements to 1452
a parcel or parcels may be exempted from taxation, a board of 1453
trustees of a township with a population of fifteen thousand or 1454
more may amend a resolution originally adopted under this 1455
section before December 31, 1994, to extend the exemption of 1456
improvements to the parcel or parcels included in such 1457
resolution for an additional period not to exceed fifteen years. 1458
The amendment shall not increase the percentage of improvements 1459
to the parcel or parcels exempted from taxation. Before adopting 1460
an amendment authorized under this division, the board of 1461
township trustees shall obtain the approval of each board of 1462
education of the city, local, or exempted village school 1463
district within which the exempted parcels are located in the 1464
manner required under division (D) of this section, except that 1465
(1) the board of education may approve the exemption on the 1466
condition that the board of township trustees and the board of 1467
education negotiate an agreement providing for compensation to 1468
the school district equal in value to the amount of taxes the 1469
district forgoes in each year the exemption is extended pursuant 1470
to this division or any other mutually agreeable compensation 1471
and (2) if the board of education fails to certify a resolution 1472
approving the amendment to the board of township trustees within 1473
the time prescribed by division (D) of this section, the board 1474
of township trustees shall not adopt the amendment authorized 1475
under this division. 1476

No approval under this division shall be required from a 1477

board of education that has adopted a resolution waiving its 1478
right to approve exemptions from taxation pursuant to division 1479
(D) of this section. If the board of education has adopted such 1480
a resolution, the board of township trustees shall comply with 1481
the notice requirements imposed under section 5709.83 of the 1482
Revised Code before taking formal action to adopt an amendment 1483
authorized under this division unless the board of education has 1484
adopted a resolution under that section waiving its right to 1485
receive the notice. Not later than fourteen days before adopting 1486
an amendment authorized under this division, the board of 1487
township trustees shall deliver a notice identical to a notice 1488
required under section 5709.83 of the Revised Code to the board 1489
of county commissioners of each county in which the exempted 1490
parcels are located. 1491

Sec. 5709.75. (A) Any township that grants a tax exemption 1492
under section 5709.73 of the Revised Code shall establish a 1493
township public improvement tax increment equivalent fund into 1494
which shall be deposited service payments in lieu of taxes 1495
distributed to the township under section 5709.74 of the Revised 1496
Code. If the board of township trustees has adopted a resolution 1497
under division (C) of section 5709.73 of the Revised Code, the 1498
township shall establish at least one account in that fund with 1499
respect to resolutions adopted under division (B) of that 1500
section, and one account with respect to each incentive district 1501
created by a resolution adopted under division (C) of that 1502
section. If a resolution adopted under division (C) of section 1503
5709.73 of the Revised Code also authorizes the use of service 1504
payments for housing renovations within the incentive district, 1505
the township shall establish separate accounts for the service 1506
payments designated for public infrastructure improvements and 1507
for the service payments authorized for the purpose of housing 1508

renovations. If a resolution adopted under section 5709.41 or 1509
division (B) or (C) of section 5709.73 of the Revised Code also 1510
authorizes the use of service payments for the benefit of a land 1511
reutilization program, a qualifying nonprofit organization, or a 1512
county land reutilization corporation, the township shall create 1513
a township land reutilization TIF fund into which shall be 1514
deposited service payments in lieu of taxes distributed to the 1515
township under section 5709.74 of the Revised Code in the amount 1516
designated for the use of the program, organization, or 1517
corporation. 1518

Except as otherwise provided in division (C) or (D) of 1519
this section, money deposited in an account of the township 1520
public improvement tax increment equivalent fund shall be used 1521
by the township to pay the costs of public infrastructure 1522
improvements designated in or the housing renovations authorized 1523
by the resolution with respect to which the account is 1524
established, including any interest on and principal of the 1525
notes; in the case of an account established with respect to a 1526
resolution adopted under division (C) of that section, money in 1527
the account shall be used to finance the public infrastructure 1528
improvements designated, or the housing renovations authorized, 1529
for each incentive district created in the resolution. Money in 1530
an account shall not be used to finance or support housing 1531
renovations that take place after the incentive district has 1532
expired. 1533

Money in a township land reutilization TIF fund shall be 1534
appropriated and allocated or disbursed to the township's land 1535
reutilization program, a qualifying nonprofit organization 1536
operating exclusively within the unincorporated territory of the 1537
township, or a county land reutilization corporation in the 1538
county where the township is located. The program, organization, 1539

or corporation shall use the proceeds received from that fund 1540
exclusively for economic development. 1541

(B) A township may, by resolution, establish a 1542
redevelopment tax increment equivalent fund, into which shall be 1543
deposited service payments in lieu of taxes distributed to the 1544
township by the county treasurer as provided in section 5709.74 1545
of the Revised Code for improvements exempt from taxation 1546
pursuant to ~~an ordinance~~ a resolution adopted under section 1547
5709.41 of the Revised Code. Moneys deposited in the 1548
redevelopment tax increment equivalent fund shall be used for 1549
such purposes as are authorized in the resolution establishing 1550
the fund. 1551

(C) (1) (a) A township may distribute money in the township 1552
public improvement tax increment equivalent fund or 1553
redevelopment tax increment equivalent fund to any school 1554
district in which the exempt property is located in an amount 1555
not to exceed the amount of real property taxes that such school 1556
district would have received from the improvement if it were not 1557
exempt from taxation. The resolution establishing the fund shall 1558
set forth the percentage of such maximum amount that will be 1559
distributed to any affected school district. 1560

(b) A township also may distribute money in either fund as 1561
follows: 1562

(i) To a board of county commissioners, in the amount that 1563
is owed to the board pursuant to division (E) of section 5709.73 1564
of the Revised Code; 1565

(ii) To a county in accordance with section 5709.913 of 1566
the Revised Code. 1567

(2) Money from an account in a township public improvement 1568

tax increment equivalent fund or from a redevelopment tax 1569
increment equivalent fund may be distributed under division (C) 1570
(1) (b) of this section, regardless of the date a resolution was 1571
adopted under section 5709.73 of the Revised Code that prompted 1572
the establishment of the account, even if the resolution was 1573
adopted prior to March 30, 2006. 1574

(D) A board of township trustees that adopted a resolution 1575
under section 5709.73 of the Revised Code and that, with respect 1576
to property exempted under such a resolution, is party to a 1577
hold-harmless or service agreement, may appropriate and expend 1578
unencumbered money in the fund to pay current public safety 1579
expenses of the township. A township appropriating and expending 1580
money under this division shall reimburse the fund for the sum 1581
so appropriated and expended not later than the day the 1582
exemption granted under the resolution expires. For the purposes 1583
of this division, a "hold-harmless agreement" is an agreement 1584
with the board of education of a city, local, or exempted 1585
village school district under which the board of township 1586
trustees agrees to compensate the school district for one 1587
hundred per cent of the tax revenue the school district would 1588
have received from improvements to parcels designated in the 1589
resolution were it not for the exemption granted by the 1590
resolution. 1591

(E) A board of township trustees that adopted a resolution 1592
under section 5709.73 of the Revised Code prior to July 21, 1593
1994, and that, with respect to property exempted under such 1594
resolution, is a party to a hold-harmless or service agreement 1595
with a board of education of a city, local, or exempted village 1596
school district, within the territory of which such property is 1597
located, may appropriate and expend unencumbered money in the 1598
fund to pay current expenses for the continued maintenance of 1599

public improvements or public infrastructure improvements 1600
designated in that resolution, as such resolution has been 1601
amended under division (K) of section 5709.73 of the Revised 1602
Code. 1603

(F) Any unencumbered money remaining in the township 1604
public improvement tax increment equivalent fund or an account 1605
of that fund, or in the redevelopment tax increment equivalent 1606
fund, upon dissolution of the account or fund shall be 1607
transferred to the general fund of the township. 1608

Sec. 5709.77. As used in sections 5709.77 to 5709.81 of 1609
the Revised Code: 1610

(A) "Business day" means a day of the week excluding 1611
Saturday, Sunday, and a legal holiday as defined in section 1.14 1612
of the Revised Code. 1613

(B) "Fund" means to provide for the payment of the debt 1614
service on and the expenses relating to an outstanding 1615
obligation of the county. 1616

(C) "Housing renovation" means a project carried out for 1617
residential purposes. 1618

(D) "Improvement" means the increase in the assessed value 1619
of real property that would first appear on the tax list and 1620
duplicate of real and public utility property after the 1621
effective date of a resolution adopted under section 5709.78 of 1622
the Revised Code were it not for the exemption granted by that 1623
resolution. For purposes of division (A) of section 5709.78 of 1624
the Revised Code, "improvement" does not include any property 1625
used or to be used for residential purposes. For this purpose, 1626
"property that is used or to be used for residential purposes" 1627
means property that, as improved, is used or to be used for 1628

purposes that would cause the tax commissioner to classify the 1629
property as residential property in accordance with rules 1630
adopted by the commissioner under section 5713.041 of the 1631
Revised Code. 1632

(E) "Incentive district" has the same meaning as in 1633
section 5709.40 of the Revised Code, except that a blighted area 1634
is in the unincorporated territory of a county. 1635

(F) "Refund" means to fund and retire an outstanding 1636
obligation of the county. 1637

(G) "Overlay" has the same meaning as in section 5709.40 1638
of the Revised Code, except that the overlay is delineated by 1639
the board of county commissioners. 1640

(H) ~~"Project"~~ "Project," "qualifying nonprofit 1641
organization," and "public infrastructure improvement" have the 1642
same meanings as in section 5709.40 of the Revised Code. 1643

(I) "County land reutilization corporation" has the same 1644
meaning as in section 5722.01 of the Revised Code. 1645

Sec. 5709.78. (A) A board of county commissioners may, by 1646
resolution, declare improvements to certain parcels of real 1647
property located in the unincorporated territory of the county 1648
to be a public purpose. Except as otherwise provided under 1649
division (C) of this section or section 5709.51 of the Revised 1650
Code, not more than seventy-five per cent of an improvement thus 1651
declared to be a public purpose may be exempted from real 1652
property taxation, for a period of not more than ten years. The 1653
resolution shall specify the percentage of the improvement to be 1654
exempted and the life of the exemption. 1655

A resolution adopted under this division shall designate 1656
the specific public infrastructure improvements made, to be 1657

made, or in the process of being made by the county that 1658
directly benefit, or that once made will directly benefit, the 1659
parcels for which improvements are declared to be a public 1660
purpose. If the county has established a county land 1661
reutilization corporation or if a qualifying nonprofit 1662
organization operates exclusively within the county, a 1663
resolution adopted under this division may designate a portion, 1664
not to exceed ten per cent, of any service payments required 1665
under section 5709.79 of the Revised Code for the use of the 1666
corporation or organization. The service payments provided for 1667
in section 5709.79 of the Revised Code shall be used to finance 1668
the public infrastructure improvements designated in the 1669
resolution, or as provided in section 5709.80 of the Revised 1670
Code. 1671

(B) (1) A board of county commissioners may adopt a 1672
resolution creating an incentive district and declaring 1673
improvements to parcels within the district to be a public 1674
purpose and, except as provided in division (B) (2) of this 1675
section, exempt from taxation as provided in this section, but 1676
no board of county commissioners of a county that has a 1677
population that exceeds twenty-five thousand, as shown by the 1678
most recent federal decennial census, shall adopt a resolution 1679
that creates an incentive district if the sum of the taxable 1680
value of real property in the proposed district for the 1681
preceding tax year and the taxable value of all real property in 1682
the county that would have been taxable in the preceding year 1683
were it not for the fact that the property was in an existing 1684
incentive district and therefore exempt from taxation exceeds 1685
twenty-five per cent of the taxable value of real property in 1686
the county for the preceding tax year. The district shall be 1687
located within the unincorporated territory of the county and 1688

shall not include any territory that is included within a 1689
district created under division (C) of section 5709.73 of the 1690
Revised Code. The resolution shall delineate the boundary of the 1691
proposed district and specifically identify each parcel within 1692
the district. A proposed district may not include any parcel 1693
that is or has been exempted from taxation under division (A) of 1694
this section or that is or has been within another district 1695
created under this division. A resolution may create more than 1696
one such district, and more than one resolution may be adopted 1697
under division (B) (1) of this section. 1698

(2) (a) Not later than thirty days prior to adopting a 1699
resolution under division (B) (1) of this section, if the county 1700
intends to apply for exemptions from taxation under section 1701
5709.911 of the Revised Code on behalf of owners of real 1702
property located within the proposed incentive district, the 1703
board of county commissioners shall conduct a public hearing on 1704
the proposed resolution. Not later than thirty days prior to the 1705
public hearing, the board shall give notice of the public 1706
hearing and the proposed resolution by first class mail to every 1707
real property owner whose property is located within the 1708
boundaries of the proposed incentive district that is the 1709
subject of the proposed resolution. The board also shall provide 1710
the notice by first class mail to the clerk of each township in 1711
which the proposed incentive district will be located. The 1712
notice shall include a map of the proposed incentive district on 1713
which the board of county commissioners shall have delineated an 1714
overlay. The notice shall inform property owners of the owner's 1715
right to exclude the owner's property from the incentive 1716
district if both of the following conditions are met: 1717

(i) The owner's entire parcel of property will not be 1718
located within the overlay. 1719

(ii) The owner has submitted a statement to the board of township trustees of the township in which the parcel is located indicating the owner's intent to seek a tax exemption for improvements to the owner's parcel under section 5709.41 or division (B) or (C) of section 5709.73 of the Revised Code within the next five years.

When both of the preceding conditions are met, the owner may exclude the owner's property from the incentive district by submitting a written response in accordance with division (B) (2) (b) of this section. The notice also shall include information detailing the required contents of the response, the address to which the response may be mailed, and the deadline for submitting the response.

(b) Any owner of real property located within the boundaries of an incentive district proposed under division (B) (1) of this section who meets the conditions specified in divisions (B) (2) (a) (i) and (ii) of this section may exclude the property from the proposed incentive district by submitting a written response to the board not later than forty-five days after the postmark date on the notice required under division (B) (2) (a) of this section. The response shall include a copy of the statement submitted under division (B) (2) (a) (ii) of this section. The response shall be sent by first class mail or delivered in person at a public hearing held by the board under division (B) (2) (a) of this section. The response shall conform to any content requirements that may be established by the board and included in the notice provided under division (B) (2) (a) of this section. In the response, property owners may identify a parcel by street address, by the manner in which it is identified in the resolution, or by other means allowing the identity of the parcel to be ascertained.

(c) Before adopting a resolution under division (B) (1) of 1751
this section, the board shall amend the resolution to exclude 1752
any parcel for which a written response has been submitted under 1753
division (B) (2) (b) of this section. A county shall not apply for 1754
exemptions from taxation under section 5709.911 of the Revised 1755
Code for any such parcel, and service payments may not be 1756
required from the owner of the parcel. Improvements to a parcel 1757
excluded from an incentive district under this division may be 1758
exempted from taxation under division (A) of this section 1759
pursuant to a resolution adopted under that division or under 1760
any other section of the Revised Code under which the parcel 1761
qualifies. 1762

(3) (a) A resolution adopted under division (B) (1) of this 1763
section shall specify the life of the incentive district and the 1764
percentage of the improvements to be exempted, shall designate 1765
the public infrastructure improvements made, to be made, or in 1766
the process of being made, that benefit or serve, or, once made, 1767
will benefit or serve parcels in the district. The resolution 1768
also shall identify one or more specific projects being, or to 1769
be, undertaken in the district that place additional demand on 1770
the public infrastructure improvements designated in the 1771
resolution. The project identified may, but need not be, the 1772
project under division (B) (3) (b) of this section that places 1773
real property in use for commercial or industrial purposes. 1774

A resolution adopted under division (B) (1) of this section 1775
on or after March 30, 2006, shall not designate police or fire 1776
equipment as public infrastructure improvements, and no service 1777
payment provided for in section 5709.79 of the Revised Code and 1778
received by the county under the resolution shall be used for 1779
police or fire equipment. 1780

(b) A resolution adopted under division (B) (1) of this 1781
section may authorize the use of service payments provided for 1782
in section 5709.79 of the Revised Code for the purpose of 1783
housing renovations within the incentive district, provided that 1784
the resolution also designates public infrastructure 1785
improvements that benefit or serve the district, and that a 1786
project within the district places real property in use for 1787
commercial or industrial purposes. Service payments may be used 1788
to finance or support loans, deferred loans, and grants to 1789
persons for the purpose of housing renovations within the 1790
district. The resolution shall designate the parcels within the 1791
district that are eligible for housing renovations. The 1792
resolution shall state separately the amount or the percentages 1793
of the expected aggregate service payments that are designated 1794
for each public infrastructure improvement and for the purpose 1795
of housing renovations. 1796

(c) If the county has established a county land 1797
reutilization corporation or if a qualifying nonprofit 1798
organization operates exclusively within the county, a 1799
resolution adopted under division (C) (1) of this section may 1800
designate a portion, not to exceed ten per cent, of any service 1801
payments required under section 5709.79 of the Revised Code for 1802
the use of the corporation or organization. 1803

(4) Except with the approval of the board of education of 1804
each city, local, or exempted village school district within the 1805
territory of which the incentive district is or will be located, 1806
and subject to division (D) of this section, the life of an 1807
incentive district shall not exceed ten years, and the 1808
percentage of improvements to be exempted shall not exceed 1809
seventy-five per cent. With approval of the board of education, 1810
the life of a district may be not more than thirty years, and 1811

the percentage of improvements to be exempted may be not more 1812
than one hundred per cent. The approval of a board of education 1813
shall be obtained in the manner provided in division (C) of this 1814
section. 1815

(C) (1) Improvements with respect to a parcel may be 1816
exempted from taxation under division (A) of this section, and 1817
improvements to parcels within an incentive district may be 1818
exempted from taxation under division (B) of this section, for 1819
up to ten years or, with the approval of the board of education 1820
of each city, local, or exempted village school district within 1821
which the parcel or district is located, for up to thirty years. 1822
The percentage of the improvements exempted from taxation may, 1823
with such approval, exceed seventy-five per cent, but shall not 1824
exceed one hundred per cent. Not later than forty-five business 1825
days prior to adopting a resolution under this section declaring 1826
improvements to be a public purpose that is subject to the 1827
approval of a board of education under this division, the board 1828
of county commissioners shall deliver to the board of education 1829
a notice stating its intent to adopt a resolution making that 1830
declaration. The notice regarding improvements with respect to a 1831
parcel under division (A) of this section shall identify the 1832
parcels for which improvements are to be exempted from taxation, 1833
provide an estimate of the true value in money of the 1834
improvements, specify the period for which the improvements 1835
would be exempted from taxation and the percentage of the 1836
improvements that would be exempted, and indicate the date on 1837
which the board of county commissioners intends to adopt the 1838
resolution. The notice regarding improvements to parcels within 1839
an incentive district under division (B) of this section shall 1840
delineate the boundaries of the district, specifically identify 1841
each parcel within the district, identify each anticipated 1842

improvement in the district, provide an estimate of the true 1843
value in money of each such improvement, specify the life of the 1844
district and the percentage of improvements that would be 1845
exempted, and indicate the date on which the board of county 1846
commissioners intends to adopt the resolution. The board of 1847
education, by resolution adopted by a majority of the board, may 1848
approve the exemption for the period or for the exemption 1849
percentage specified in the notice; may disapprove the exemption 1850
for the number of years in excess of ten, may disapprove the 1851
exemption for the percentage of the improvements to be exempted 1852
in excess of seventy-five per cent, or both; or may approve the 1853
exemption on the condition that the board of county 1854
commissioners and the board of education negotiate an agreement 1855
providing for compensation to the school district equal in value 1856
to a percentage of the amount of taxes exempted in the eleventh 1857
and subsequent years of the exemption period or, in the case of 1858
exemption percentages in excess of seventy-five per cent, 1859
compensation equal in value to a percentage of the taxes that 1860
would be payable on the portion of the improvements in excess of 1861
seventy-five per cent were that portion to be subject to 1862
taxation, or other mutually agreeable compensation. 1863

(2) The board of education shall certify its resolution to 1864
the board of county commissioners not later than fourteen days 1865
prior to the date the board of county commissioners intends to 1866
adopt its resolution as indicated in the notice. If the board of 1867
education and the board of county commissioners negotiate a 1868
mutually acceptable compensation agreement, the resolution of 1869
the board of county commissioners may declare the improvements a 1870
public purpose for the number of years specified in that 1871
resolution or, in the case of exemption percentages in excess of 1872
seventy-five per cent, for the exemption percentage specified in 1873

the resolution. In either case, if the board of education and 1874
the board of county commissioners fail to negotiate a mutually 1875
acceptable compensation agreement, the resolution may declare 1876
the improvements a public purpose for not more than ten years, 1877
and shall not exempt more than seventy-five per cent of the 1878
improvements from taxation. If the board of education fails to 1879
certify a resolution to the board of county commissioners within 1880
the time prescribed by this section, the board of county 1881
commissioners thereupon may adopt the resolution and may declare 1882
the improvements a public purpose for up to thirty years or, in 1883
the case of exemption percentages proposed in excess of seventy- 1884
five per cent, for the exemption percentage specified in the 1885
resolution. The board of county commissioners may adopt the 1886
resolution at any time after the board of education certifies 1887
its resolution approving the exemption to the board of county 1888
commissioners, or, if the board of education approves the 1889
exemption on the condition that a mutually acceptable 1890
compensation agreement be negotiated, at any time after the 1891
compensation agreement is agreed to by the board of education 1892
and the board of county commissioners. If a mutually acceptable 1893
compensation agreement is negotiated between the board of county 1894
commissioners and the board of education, including agreements 1895
for payments in lieu of taxes under section 5709.79 of the 1896
Revised Code, the board of county commissioners shall compensate 1897
the joint vocational school district within which the parcel or 1898
district is located at the same rate and under the same terms 1899
received by the city, local, or exempted village school 1900
district. 1901

(3) If a board of education has adopted a resolution 1902
waiving its right to approve exemptions from taxation under this 1903
section and the resolution remains in effect, approval of such 1904

exemptions by the board of education is not required under 1905
division (C) of this section. If a board of education has 1906
adopted a resolution allowing a board of county commissioners to 1907
deliver the notice required under division (C) of this section 1908
fewer than forty-five business days prior to approval of the 1909
resolution by the board of county commissioners, the board of 1910
county commissioners shall deliver the notice to the board of 1911
education not later than the number of days prior to such 1912
approval as prescribed by the board of education in its 1913
resolution. If a board of education adopts a resolution waiving 1914
its right to approve exemptions or shortening the notification 1915
period, the board of education shall certify a copy of the 1916
resolution to the board of county commissioners. If the board of 1917
education rescinds such a resolution, it shall certify notice of 1918
the rescission to the board of county commissioners. 1919

(4) Nothing in division (C) of this section prohibits the 1920
board of county commissioners from amending the resolution under 1921
section 5709.51 of the Revised Code to extend the term of the 1922
exemption. 1923

(D) (1) If a proposed resolution under division (B) (1) of 1924
this section exempts improvements with respect to a parcel 1925
within an incentive district for more than ten years, or the 1926
percentage of the improvement exempted from taxation exceeds 1927
seventy-five per cent, not later than forty-five business days 1928
prior to adopting the resolution the board of county 1929
commissioners shall deliver to the board of township trustees of 1930
any township within which the incentive district is or will be 1931
located a notice that states its intent to adopt a resolution 1932
creating an incentive district. The notice shall include a copy 1933
of the proposed resolution, identify the parcels for which 1934
improvements are to be exempted from taxation, provide an 1935

estimate of the true value in money of the improvements, specify 1936
the period of time for which the improvements would be exempted 1937
from taxation, specify the percentage of the improvements that 1938
would be exempted from taxation, and indicate the date on which 1939
the board intends to adopt the resolution. 1940

(2) The board of township trustees, by resolution adopted 1941
by a majority of the board, may object to the exemption for the 1942
number of years in excess of ten, may object to the exemption 1943
for the percentage of the improvement to be exempted in excess 1944
of seventy-five per cent, or both. If the board of township 1945
trustees objects, the board of township trustees may negotiate a 1946
mutually acceptable compensation agreement with the board of 1947
county commissioners. In no case shall the compensation provided 1948
to the board of township trustees exceed the property taxes 1949
forgone due to the exemption. If the board of township trustees 1950
objects, and the board of township trustees and the board of 1951
county commissioners fail to negotiate a mutually acceptable 1952
compensation agreement, the resolution adopted under division 1953
(B) (1) of this section shall provide to the board of township 1954
trustees compensation in the eleventh and subsequent years of 1955
the exemption period equal in value to not more than fifty per 1956
cent of the taxes that would be payable to the township or, if 1957
the board of township trustee's objection includes an objection 1958
to an exemption percentage in excess of seventy-five per cent, 1959
compensation equal in value to not more than fifty per cent of 1960
the taxes that would be payable to the township on the portion 1961
of the improvement in excess of seventy-five per cent, were that 1962
portion to be subject to taxation. The board of township 1963
trustees shall certify its resolution to the board of county 1964
commissioners not later than thirty days after receipt of the 1965
notice. 1966

(3) If the board of township trustees does not object or
fails to certify a resolution objecting to an exemption within
thirty days after receipt of the notice, the board of county
commissioners may adopt its resolution, and no compensation
shall be provided to the board of township trustees. If the
board of township trustees certifies its resolution objecting to
the commissioners' resolution, the board of county commissioners
may adopt its resolution at any time after a mutually acceptable
compensation agreement is agreed to by the board of county
commissioners and the board of township trustees. If the board
of township trustees certifies a resolution objecting to the
commissioners' resolution, the board of county commissioners may
adopt its resolution at any time after a mutually acceptable
compensation agreement is agreed to by the board of county
commissioners and the board of township trustees, or, if no
compensation agreement is negotiated, at any time after the
board of county commissioners in the proposed resolution to
provide compensation to the board of township trustees of fifty
per cent of the taxes that would be payable to the township in
the eleventh and subsequent years of the exemption period or on
the portion of the improvement in excess of seventy-five per
cent, were that portion to be subject to taxation.

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

shall be distributed to the appropriate taxing authority as 1998
required under division (D) of section 5709.79 of the Revised 1999
Code in an amount equal to the amount of taxes from that 2000
additional levy or from the increase in the effective tax rate 2001
of such renewal or replacement levy that would have been payable 2002
to that taxing authority from the following levies were it not 2003
for the exemption authorized under division (B) of this section: 2004

(1) A tax levied under division (L) of section 5705.19 or 2005
section 5705.191 or 5705.222 of the Revised Code for community 2006
developmental disabilities programs and services pursuant to 2007
Chapter 5126. of the Revised Code; 2008

(2) A tax levied under division (Y) of section 5705.19 of 2009
the Revised Code for providing or maintaining senior citizens 2010
services or facilities; 2011

(3) A tax levied under section 5705.22 of the Revised Code 2012
for county hospitals; 2013

(4) A tax levied by a joint-county district or by a county 2014
under section 5705.19, 5705.191, or 5705.221 of the Revised Code 2015
for alcohol, drug addiction, and mental health services or 2016
facilities; 2017

(5) A tax levied under section 5705.23 of the Revised Code 2018
for library purposes; 2019

(6) A tax levied under section 5705.24 of the Revised Code 2020
for the support of children services and the placement and care 2021
of children; 2022

(7) A tax levied under division (Z) of section 5705.19 of 2023
the Revised Code for the provision and maintenance of zoological 2024
park services and facilities under section 307.76 of the Revised 2025
Code; 2026

(8) A tax levied under section 511.27 or division (H) of 2027
section 5705.19 of the Revised Code for the support of township 2028
park districts; 2029

(9) A tax levied under division (A), (F), or (H) of 2030
section 5705.19 of the Revised Code for parks and recreational 2031
purposes of a joint recreation district organized pursuant to 2032
division (B) of section 755.14 of the Revised Code; 2033

(10) A tax levied under section 1545.20 or 1545.21 of the 2034
Revised Code for park district purposes; 2035

(11) A tax levied under section 5705.191 of the Revised 2036
Code for the purpose of making appropriations for public 2037
assistance; human or social services; public relief; public 2038
welfare; public health and hospitalization; and support of 2039
general hospitals; 2040

(12) A tax levied under section 3709.29 of the Revised 2041
Code for a general health district program. 2042

(F) An exemption from taxation granted under this section 2043
commences with the tax year specified in the resolution so long 2044
as the year specified in the resolution commences after the 2045
effective date of the resolution. If the resolution specifies a 2046
year commencing before the effective date of the resolution or 2047
specifies no year whatsoever, the exemption commences with the 2048
tax year in which an exempted improvement first appears on the 2049
tax list and duplicate of real and public utility property and 2050
that commences after the effective date of the resolution. In 2051
lieu of stating a specific year, the resolution may provide that 2052
the exemption commences in the tax year in which the value of an 2053
improvement exceeds a specified amount or in which the 2054
construction of one or more improvements is completed, provided 2055

that such tax year commences after the effective date of the 2056
resolution. With respect to the exemption of improvements to 2057
parcels under division (A) of this section, the resolution may 2058
allow for the exemption to commence in different tax years on a 2059
parcel-by-parcel basis, with a separate exemption term specified 2060
for each parcel. 2061

Except as otherwise provided in this division, the 2062
exemption ends on the date specified in the resolution as the 2063
date the improvement ceases to be a public purpose or the 2064
incentive district expires, or ends on the date on which the 2065
county can no longer require annual service payments in lieu of 2066
taxes under section 5709.79 of the Revised Code, whichever 2067
occurs first. The exemption of an improvement with respect to a 2068
parcel or within an incentive district may end on a later date, 2069
as specified in the resolution, if the board of commissioners 2070
and the board of education of the city, local, or exempted 2071
village school district within which the parcel or district is 2072
located have entered into a compensation agreement under section 2073
5709.82 of the Revised Code with respect to the improvement, and 2074
the board of education has approved the term of the exemption 2075
under division (C)(1) of this section, but in no case shall the 2076
improvement be exempted from taxation for more than thirty 2077
years. Exemptions shall be claimed and allowed in the same or a 2078
similar manner as in the case of other real property exemptions. 2079
If an exemption status changes during a tax year, the procedure 2080
for the apportionment of the taxes for that year is the same as 2081
in the case of other changes in tax exemption status during the 2082
year. 2083

(G) If the board of county commissioners is not required 2084
by this section to notify the board of education of the board of 2085
county commissioners' intent to declare improvements to be a 2086

public purpose, the board of county commissioners shall comply 2087
with the notice requirements imposed under section 5709.83 of 2088
the Revised Code before taking formal action to adopt the 2089
resolution making that declaration, unless the board of 2090
education has adopted a resolution under that section waiving 2091
its right to receive such a notice. 2092

(H) The county, not later than fifteen days after the 2093
adoption of a resolution under this section, shall submit to the 2094
director of development services a copy of the resolution. On or 2095
before the thirty-first day of March of each year, the county 2096
shall submit a status report to the director of development 2097
services. The report shall indicate, in the manner prescribed by 2098
the director, the progress of the project during each year that 2099
an exemption remains in effect, including a summary of the 2100
receipts from service payments in lieu of taxes; expenditures of 2101
money from the fund created under section 5709.80 of the Revised 2102
Code; a description of the public infrastructure improvements 2103
and housing renovations financed with such expenditures; and a 2104
quantitative summary of changes in employment and private 2105
investment resulting from each project. 2106

(I) Nothing in this section shall be construed to prohibit 2107
a board of county commissioners from declaring to be a public 2108
purpose improvements with respect to more than one parcel. 2109

(J) If a parcel is located in a new community district in 2110
which the new community authority imposes a community 2111
development charge on the basis of rentals received from leases 2112
of real property as described in division (L)(2) of section 2113
349.01 of the Revised Code, the parcel may not be exempted from 2114
taxation under this section. 2115

Sec. 5709.80. (A) The board of county commissioners of a 2116

county that receives service payments in lieu of taxes under 2117
section 5709.79 of the Revised Code shall establish a 2118
redevelopment tax equivalent fund into which those payments 2119
shall be deposited. Separate accounts shall be established in 2120
the fund for each resolution adopted by the board of county 2121
commissioners under section 5709.78 of the Revised Code. If the 2122
board of county commissioners has adopted a resolution under 2123
division (B) of that section, the county shall establish an 2124
account for each incentive district created in that resolution. 2125
If a resolution adopted under division (B) of section 5709.78 of 2126
the Revised Code also authorizes the use of service payments for 2127
housing renovations within the incentive district, the county 2128
shall establish separate accounts for the service payments 2129
designated for public infrastructure improvements and for the 2130
service payments authorized for the purpose of housing 2131
renovations. If a resolution adopted under division (B) or (C) 2132
of section 5709.78 of the Revised Code also authorizes the use 2133
of service payments for the benefit of a qualifying nonprofit 2134
organization or a county land reutilization corporation, the 2135
board of county commissioners shall create in the county 2136
treasury a special fund called the land reutilization TIF fund 2137
into which shall be deposited service payments in lieu of taxes 2138
received by the county pursuant to section 5709.79 of the 2139
Revised Code, in the amount designated in the resolution for the 2140
use of the organization or corporation. 2141

(B) Moneys deposited into each account of ~~the a~~ 2142
redevelopment tax equivalent fund shall be used by the county to 2143
pay the cost of constructing or repairing the public 2144
infrastructure improvements designated in, or the housing 2145
renovations authorized by, the resolution, or for each incentive 2146
district for which the account is established, to pay the 2147

interest on and principal of bonds or notes issued under 2148
division (B) of section 307.082 or division (A) of section 2149
5709.81 of the Revised Code, or for the purposes pledged under 2150
division (B) of section 5709.81 of the Revised Code. Money in an 2151
account shall not be used to finance or support housing 2152
renovations that take place after the incentive district has 2153
expired. 2154

Moneys deposited in a land reutilization TIF fund shall be 2155
appropriated and allocated or disbursed to a qualifying 2156
nonprofit organization operating exclusively within the county 2157
or the county's county land reutilization corporation. The 2158
organization or corporation shall use the proceeds exclusively 2159
for economic development. 2160

(C) (1) (a) The board of county commissioners may distribute 2161
money in an account to any school district in which the exempt 2162
property is located in an amount not to exceed the amount of 2163
real property taxes that such school district would have 2164
received from the improvement if it were not exempt from 2165
taxation. The resolution under which an account is established 2166
shall set forth the percentage of such maximum amount that will 2167
be distributed to any affected school district. 2168

(b) A board of county commissioners also may distribute 2169
money in such an account as follows: 2170

(i) To a board of township trustees or legislative 2171
authority of a municipal corporation, as applicable, in the 2172
amount that is owed to the board of township trustees or 2173
legislative authority pursuant to division (D) of section 2174
5709.78 of the Revised Code; 2175

(ii) To a township in accordance with section 5709.914 of 2176

the Revised Code. 2177

(2) Money from an account in the redevelopment tax 2178
equivalent fund may be distributed under division (C) (1) (b) of 2179
this section, regardless of the date a resolution was adopted 2180
under section 5709.78 of the Revised Code that prompted the 2181
establishment of the account, even if the resolution was adopted 2182
prior to March 30, 2006. 2183

(D) An account dissolves upon fulfillment of the purposes 2184
for which money in the account may be used. An incidental 2185
surplus remaining in an account upon its dissolution shall be 2186
transferred to the general fund of the county. 2187

Section 2. That existing sections 5709.40, 5709.41, 2188
5709.43, 5709.73, 5709.75, 5709.77, 5709.78, and 5709.80 of the 2189
Revised Code are hereby repealed. 2190