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Am. Sub. S. B. No. 257

Senators Seitz, Skindell

**Cosponsors: Senators Eklund, Bacon, Brown, Hackett, Jones, Oelslager,
Schiavoni, Tavares, Thomas, Yuko Representatives Celebrezze, Antani, Antonio,
Barnes, Blessing, Burkley, Butler, Perales, Rezabek, Sweeney**

A BILL

To amend sections 5301.07, 5709.40, 5709.73, 1
5709.77, 5709.78, and 5709.911 of the Revised 2
Code to create a presumption of validity for 3
recorded real property instruments, to reduce 4
the time period for curing certain defects 5
related to those instruments, and to provide 6
constructive notice for those instruments, and 7
to establish a procedure by which political 8
subdivisions proposing a tax increment financing 9
(TIF) incentive district must notify affected 10
property owners and permit them to exclude their 11
property. 12

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

Section 1. That sections 5301.07, 5709.40, 5709.73, 13
5709.77, 5709.78, and 5709.911 of the Revised Code be amended to 14
read as follows: 15

Sec. 5301.07. ~~When any~~ (A) As used in this section, "real 16
property instrument" means a deed, mortgage, and installment 17

contract, lease, memorandum of trust, power of attorney, or any 18
instrument accepted by the county recorder under section 317.08 19
of the Revised Code. 20

(B) (1) When a real property instrument conveying real 21
estate, or any interest therein, is delivered to and accepted by 22
the county recorder of the county in which the real property is 23
situated, and is signed and acknowledged by a person with an 24
interest in the real property that is described in the 25
instrument, the instrument raises both of the following: 26

(a) A rebuttable presumption that the instrument conveys, 27
encumbers, or is enforceable against the interest of the person 28
who signed the instrument; 29

(b) A rebuttable presumption that the instrument is valid, 30
enforceable, and effective as if in all respects the instrument 31
was legally made, executed, acknowledged, and recorded. 32

(2) The presumptions described in division (B) (1) of this 33
section may be rebutted by clear and convincing evidence of 34
fraud, undue influence, duress, forgery, incompetency, or 35
incapacity. 36

(C) When a real property instrument is of record for more 37
than ~~twenty one~~ ~~four~~ years in the office of the county recorder 38
of the county within this state in which such real estate is 39
situated from the date of recording of the instrument, and the 40
record shows that there is a defect in ~~such the~~ making, 41
execution, or acknowledgment of the instrument, ~~such the~~ 42
instrument and the record thereof shall be cured of ~~such the~~ 43
defect and be effective in all respects as if ~~such the~~ 44
instrument had been legally made, executed, ~~and~~ acknowledged, ~~if~~ 45
~~such defect is due to any one or more of~~ and recorded. The 46

defects may include but are not limited to the following: 47

~~(A) Such (1) The instrument was not properly witnessed.~~ 48

~~(B) Such (2) The instrument contained no certificate of
acknowledgment.~~ 49
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~~(C) (3) The certificate of acknowledgment was is defective
in any respect.~~ 51
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~~Any person claiming adversely to such instrument, if not
already barred by limitation or otherwise, may, at any time
within twenty one years after the time of recording such
instrument, bring proceedings to contest the effect of such
instrument.~~ 53
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~~This section does not affect any suit brought prior to
November 9, 1959 in which the validity of the acknowledgment of
any such instrument is drawn in question.~~ 58
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(4) The name of the person with an interest in the real
property does not appear in the granting clause of the
instrument, but the person signed the instrument without
limitation. 61
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(D) A real property instrument when delivered to the
county recorder of the county in which the real property is
situated and filed in the chain of title to the real property
provides constructive notice to all third parties of the
instrument notwithstanding any defect in the making, execution,
or acknowledgment of the real property instrument. 65
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(E) Nothing contained in this section operates to
discharge the obligation to comply with all provisions of
sections 5301.47 to 5301.56 and section 5301.332 of the Revised
Code before the extinguishment, abandonment, or forfeiture of an 71
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interest in real estate as may be authorized by those sections. 75

(F) Except as otherwise provided in division (E) of this 76
section, this section applies to all real property instruments 77
notwithstanding any other provision of the Revised Code. To the 78
extent that a conflict exists between this section and any other 79
section of the Revised Code, including but not limited to 80
section 1301.401 of the Revised Code, this section controls with 81
respect to any matters addressed in this section. 82

(G) This section shall be given retroactive effect to the 83
fullest extent permitted under Section 28 of Article II, Ohio 84
Constitution. This section shall not be given retroactive effect 85
if to do so would affect any accrued substantive right or vested 86
rights in any person or in any real property instrument. 87

Sec. 5709.40. (A) As used in this section: 88

(1) "Blighted area" and "impacted city" have the same 89
meanings as in section 1728.01 of the Revised Code. 90

(2) "Business day" means a day of the week excluding 91
Saturday, Sunday, and a legal holiday as defined under section 92
1.14 of the Revised Code. 93

(3) "Housing renovation" means a project carried out for 94
residential purposes. 95

(4) "Improvement" means the increase in the assessed value 96
of any real property that would first appear on the tax list and 97
duplicate of real and public utility property after the 98
effective date of an ordinance adopted under this section were 99
it not for the exemption granted by that ordinance. 100

(5) "Incentive district" means an area not more than three 101
hundred acres in size enclosed by a continuous boundary in which 102

a project is being, or will be, undertaken and having one or	103
more of the following distress characteristics:	104
(a) At least fifty-one per cent of the residents of the	105
district have incomes of less than eighty per cent of the median	106
income of residents of the political subdivision in which the	107
district is located, as determined in the same manner specified	108
under section 119(b) of the "Housing and Community Development	109
Act of 1974," 88 Stat. 633, 42 U.S.C. 5318, as amended;	110
(b) The average rate of unemployment in the district	111
during the most recent twelve-month period for which data are	112
available is equal to at least one hundred fifty per cent of the	113
average rate of unemployment for this state for the same period.	114
(c) At least twenty per cent of the people residing in the	115
district live at or below the poverty level as defined in the	116
federal Housing and Community Development Act of 1974, 42 U.S.C.	117
5301, as amended, and regulations adopted pursuant to that act.	118
(d) The district is a blighted area.	119
(e) The district is in a situational distress area as	120
designated by the director of development services under	121
division (F) of section 122.23 of the Revised Code.	122
(f) As certified by the engineer for the political	123
subdivision, the public infrastructure serving the district is	124
inadequate to meet the development needs of the district as	125
evidenced by a written economic development plan or urban	126
renewal plan for the district that has been adopted by the	127
legislative authority of the subdivision.	128
(g) The district is comprised entirely of unimproved land	129
that is located in a distressed area as defined in section	130
122.23 of the Revised Code.	131

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

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

~~(7)~~ (8) "Public infrastructure improvement" includes, but
is not limited to, public roads and highways; water and sewer
lines; the continued maintenance of those public roads and
highways and water and sewer lines; environmental remediation;
land acquisition, including acquisition in aid of industry,
commerce, distribution, or research; demolition, including
demolition on private property when determined to be necessary
for economic development purposes; stormwater and flood
remediation projects, including such projects on private
property when determined to be necessary for public health,
safety, and welfare; the provision of gas, electric, and
communications service facilities, including the provision of
gas or electric service facilities owned by nongovernmental
entities when such improvements are determined to be necessary
for economic development purposes; and the enhancement of public
waterways through improvements that allow for greater public
access.

(B) The legislative authority of a municipal corporation,
by ordinance, may declare improvements to certain parcels of
real property located in the municipal corporation to be a

public purpose. Improvements with respect to a parcel that is 162
used or to be used for residential purposes may be declared a 163
public purpose under this division only if the parcel is located 164
in a blighted area of an impacted city. For this purpose, 165
"parcel that is used or to be used for residential purposes" 166
means a parcel that, as improved, is used or to be used for 167
purposes that would cause the tax commissioner to classify the 168
parcel as residential property in accordance with rules adopted 169
by the commissioner under section 5713.041 of the Revised Code. 170
Except with the approval under division (D) of this section of 171
the board of education of each city, local, or exempted village 172
school district within which the improvements are located, not 173
more than seventy-five per cent of an improvement thus declared 174
to be a public purpose may be exempted from real property 175
taxation for a period of not more than ten years. The ordinance 176
shall specify the percentage of the improvement to be exempted 177
from taxation and the life of the exemption. 178

An ordinance adopted or amended under this division shall 179
designate the specific public infrastructure improvements made, 180
to be made, or in the process of being made by the municipal 181
corporation that directly benefit, or that once made will 182
directly benefit, the parcels for which improvements are 183
declared to be a public purpose. The service payments provided 184
for in section 5709.42 of the Revised Code shall be used to 185
finance the public infrastructure improvements designated in the 186
ordinance, for the purpose described in division (D) (1) of this 187
section or as provided in section 5709.43 of the Revised Code. 188

(C) (1) The legislative authority of a municipal 189
corporation may adopt an ordinance creating an incentive 190
district and declaring improvements to parcels within the 191
district to be a public purpose and, except as provided in 192

division ~~(F)~~ (C) (2) of this section, exempt from taxation as 193
provided in this section, but no legislative authority of a 194
municipal corporation that has a population that exceeds twenty- 195
five thousand, as shown by the most recent federal decennial 196
census, shall adopt an ordinance that creates an incentive 197
district if the sum of the taxable value of real property in the 198
proposed district for the preceding tax year and the taxable 199
value of all real property in the municipal corporation that 200
would have been taxable in the preceding year were it not for 201
the fact that the property was in an existing incentive district 202
and therefore exempt from taxation exceeds twenty-five per cent 203
of the taxable value of real property in the municipal 204
corporation for the preceding tax year. The ordinance shall 205
delineate the boundary of the proposed district and specifically 206
identify each parcel within the district. A proposed district 207
may not include any parcel that is or has been exempted from 208
taxation under division (B) of this section or that is or has 209
been within another district created under this division. An 210
ordinance may create more than one such district, and more than 211
one ordinance may be adopted under division (C) (1) of this 212
section. 213

(2) (a) Not later than thirty days prior to adopting an 214
ordinance under division (C) (1) of this section, if the 215
municipal corporation intends to apply for exemptions from 216
taxation under section 5709.911 of the Revised Code on behalf of 217
owners of real property located within the proposed incentive 218
district, the legislative authority of ~~a~~ the municipal 219
corporation shall conduct a public hearing on the proposed 220
ordinance. Not later than thirty days prior to the public 221
hearing, the legislative authority shall give notice of the 222
public hearing and the proposed ordinance by first class mail to 223

every real property owner whose property is located within the 224
boundaries of the proposed incentive district that is the 225
subject of the proposed ordinance. The notice shall include a 226
map of the proposed incentive district on which the legislative 227
authority of the municipal corporation shall have delineated an 228
overlay. The notice shall inform the property owner of the 229
owner's right to exclude the owner's property from the incentive 230
district if the owner's entire parcel of property will not be 231
located within the overlay, by submitting a written response in 232
accordance with division (C) (2) (b) of this section. The notice 233
also shall include information detailing the required contents 234
of the response, the address to which the response may be 235
mailed, and the deadline for submitting the response. 236

(b) Any owner of real property located within the 237
boundaries of an incentive district proposed under division (C) 238
(1) of this section whose entire parcel of property is not 239
located within the overlay may exclude the property from the 240
proposed incentive district by submitting a written response to 241
the legislative authority of the municipal corporation not later 242
than forty-five days after the postmark date on the notice 243
required under division (C) (2) (a) of this section. The response 244
shall be sent by first class mail or delivered in person at a 245
public hearing held by the legislative authority under division 246
(C) (2) (a) of this section. The response shall conform to any 247
content requirements that may be established by the municipal 248
corporation and included in the notice provided under division 249
(C) (2) (a) of this section. In the response, property owners may 250
identify a parcel by street address, by the manner in which it 251
is identified in the ordinance, or by other means allowing the 252
identity of the parcel to be ascertained. 253

(c) Before adopting an ordinance under division (C) (1) of 254

this section, the legislative authority of a municipal 255
corporation shall amend the ordinance to exclude any parcel 256
located wholly or partly outside the overlay for which a written 257
response has been submitted under division (C)(2)(b) of this 258
section. A municipal corporation shall not apply for exemptions 259
from taxation under section 5709.911 of the Revised Code for any 260
such parcel, and service payments may not be required from the 261
owner of the parcel. Improvements to a parcel excluded from an 262
incentive district under this division may be exempted from 263
taxation under division (B) of this section pursuant to an 264
ordinance adopted under that division or under any other section 265
of the Revised Code under which the parcel qualifies. 266

(3) (a) An ordinance adopted under division (C)(1) of this 267
section shall specify the life of the incentive district and the 268
percentage of the improvements to be exempted, shall designate 269
the public infrastructure improvements made, to be made, or in 270
the process of being made, that benefit or serve, or, once made, 271
will benefit or serve parcels in the district. The ordinance 272
also shall identify one or more specific projects being, or to 273
be, undertaken in the district that place additional demand on 274
the public infrastructure improvements designated in the 275
ordinance. The project identified may, but need not be, the 276
project under division (C)(3)(b) of this section that places 277
real property in use for commercial or industrial purposes. 278
Except as otherwise permitted under that division, the service 279
payments provided for in section 5709.42 of the Revised Code 280
shall be used to finance the designated public infrastructure 281
improvements, for the purpose described in division (D)(1) ~~or~~, 282
(E), or (F) of this section, or as provided in section 5709.43 283
of the Revised Code. 284

An ordinance adopted under division (C)(1) of this section 285

on or after March 30, 2006, shall not designate police or fire 286
equipment as public infrastructure improvements, and no service 287
payment provided for in section 5709.42 of the Revised Code and 288
received by the municipal corporation under the ordinance shall 289
be used for police or fire equipment. 290

(b) An ordinance adopted under division (C)(1) of this 291
section may authorize the use of service payments provided for 292
in section 5709.42 of the Revised Code for the purpose of 293
housing renovations within the incentive district, provided that 294
the ordinance also designates public infrastructure improvements 295
that benefit or serve the district, and that a project within 296
the district places real property in use for commercial or 297
industrial purposes. Service payments may be used to finance or 298
support loans, deferred loans, and grants to persons for the 299
purpose of housing renovations within the district. The 300
ordinance shall designate the parcels within the district that 301
are eligible for housing renovation. The ordinance shall state 302
separately the amounts or the percentages of the expected 303
aggregate service payments that are designated for each public 304
infrastructure improvement and for the general purpose of 305
housing renovations. 306

(4) Except with the approval of the board of education of 307
each city, local, or exempted village school district within the 308
territory of which the incentive district is or will be located, 309
and subject to division (E) of this section, the life of an 310
incentive district shall not exceed ten years, and the 311
percentage of improvements to be exempted shall not exceed 312
seventy-five per cent. With approval of the board of education, 313
the life of a district may be not more than thirty years, and 314
the percentage of improvements to be exempted may be not more 315
than one hundred per cent. The approval of a board of education 316

shall be obtained in the manner provided in division (D) of this section. 317
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(D) (1) If the ordinance declaring improvements to a parcel 319
to be a public purpose or creating an incentive district 320
specifies that payments in lieu of taxes provided for in section 321
5709.42 of the Revised Code shall be paid to the city, local, or 322
exempted village, and joint vocational school district in which 323
the parcel or incentive district is located in the amount of the 324
taxes that would have been payable to the school district if the 325
improvements had not been exempted from taxation, the percentage 326
of the improvement that may be exempted from taxation may exceed 327
seventy-five per cent, and the exemption may be granted for up 328
to thirty years, without the approval of the board of education 329
as otherwise required under division (D) (2) of this section. 330

(2) Improvements with respect to a parcel may be exempted 331
from taxation under division (B) of this section, and 332
improvements to parcels within an incentive district may be 333
exempted from taxation under division (C) of this section, for 334
up to ten years or, with the approval under this paragraph of 335
the board of education of the city, local, or exempted village 336
school district within which the parcel or district is located, 337
for up to thirty years. The percentage of the improvement 338
exempted from taxation may, with such approval, exceed seventy- 339
five per cent, but shall not exceed one hundred per cent. Not 340
later than forty-five business days prior to adopting an 341
ordinance under this section declaring improvements to be a 342
public purpose that is subject to approval by a board of 343
education under this division, the legislative authority shall 344
deliver to the board of education a notice stating its intent to 345
adopt an ordinance making that declaration. The notice regarding 346
improvements with respect to a parcel under division (B) of this 347

section shall identify the parcels for which improvements are to 348
be exempted from taxation, provide an estimate of the true value 349
in money of the improvements, specify the period for which the 350
improvements would be exempted from taxation and the percentage 351
of the improvement that would be exempted, and indicate the date 352
on which the legislative authority intends to adopt the 353
ordinance. The notice regarding improvements to parcels within 354
an incentive district under division (C) of this section shall 355
delineate the boundaries of the district, specifically identify 356
each parcel within the district, identify each anticipated 357
improvement in the district, provide an estimate of the true 358
value in money of each such improvement, specify the life of the 359
district and the percentage of improvements that would be 360
exempted, and indicate the date on which the legislative 361
authority intends to adopt the ordinance. The board of 362
education, by resolution adopted by a majority of the board, may 363
approve the exemption for the period or for the exemption 364
percentage specified in the notice; may disapprove the exemption 365
for the number of years in excess of ten, may disapprove the 366
exemption for the percentage of the improvement to be exempted 367
in excess of seventy-five per cent, or both; or may approve the 368
exemption on the condition that the legislative authority and 369
the board negotiate an agreement providing for compensation to 370
the school district equal in value to a percentage of the amount 371
of taxes exempted in the eleventh and subsequent years of the 372
exemption period or, in the case of exemption percentages in 373
excess of seventy-five per cent, compensation equal in value to 374
a percentage of the taxes that would be payable on the portion 375
of the improvement in excess of seventy-five per cent were that 376
portion to be subject to taxation, or other mutually agreeable 377
compensation. If an agreement is negotiated between the 378
legislative authority and the board to compensate the school 379

district for all or part of the taxes exempted, including 380
agreements for payments in lieu of taxes under section 5709.42 381
of the Revised Code, the legislative authority shall compensate 382
the joint vocational school district within which the parcel or 383
district is located at the same rate and under the same terms 384
received by the city, local, or exempted village school 385
district. 386

(3) The board of education shall certify its resolution to 387
the legislative authority not later than fourteen days prior to 388
the date the legislative authority intends to adopt the 389
ordinance as indicated in the notice. If the board of education 390
and the legislative authority negotiate a mutually acceptable 391
compensation agreement, the ordinance may declare the 392
improvements a public purpose for the number of years specified 393
in the ordinance or, in the case of exemption percentages in 394
excess of seventy-five per cent, for the exemption percentage 395
specified in the ordinance. In either case, if the board and the 396
legislative authority fail to negotiate a mutually acceptable 397
compensation agreement, the ordinance may declare the 398
improvements a public purpose for not more than ten years, and 399
shall not exempt more than seventy-five per cent of the 400
improvements from taxation. If the board fails to certify a 401
resolution to the legislative authority within the time 402
prescribed by this division, the legislative authority thereupon 403
may adopt the ordinance and may declare the improvements a 404
public purpose for up to thirty years, or, in the case of 405
exemption percentages proposed in excess of seventy-five per 406
cent, for the exemption percentage specified in the ordinance. 407
The legislative authority may adopt the ordinance at any time 408
after the board of education certifies its resolution approving 409
the exemption to the legislative authority, or, if the board 410

approves the exemption on the condition that a mutually 411
acceptable compensation agreement be negotiated, at any time 412
after the compensation agreement is agreed to by the board and 413
the legislative authority. 414

(4) If a board of education has adopted a resolution 415
waiving its right to approve exemptions from taxation under this 416
section and the resolution remains in effect, approval of 417
exemptions by the board is not required under division (D) of 418
this section. If a board of education has adopted a resolution 419
allowing a legislative authority to deliver the notice required 420
under division (D) of this section fewer than forty-five 421
business days prior to the legislative authority's adoption of 422
the ordinance, the legislative authority shall deliver the 423
notice to the board not later than the number of days prior to 424
such adoption as prescribed by the board in its resolution. If a 425
board of education adopts a resolution waiving its right to 426
approve agreements or shortening the notification period, the 427
board shall certify a copy of the resolution to the legislative 428
authority. If the board of education rescinds such a resolution, 429
it shall certify notice of the rescission to the legislative 430
authority. 431

(5) If the legislative authority is not required by 432
division (D) of this section to notify the board of education of 433
the legislative authority's intent to declare improvements to be 434
a public purpose, the legislative authority shall comply with 435
the notice requirements imposed under section 5709.83 of the 436
Revised Code, unless the board has adopted a resolution under 437
that section waiving its right to receive such a notice. 438

(E) (1) If a proposed ordinance under division (C) (1) of 439
this section exempts improvements with respect to a parcel 440

within an incentive district for more than ten years, or the 441
percentage of the improvement exempted from taxation exceeds 442
seventy-five per cent, not later than forty-five business days 443
prior to adopting the ordinance the legislative authority of the 444
municipal corporation shall deliver to the board of county 445
commissioners of the county within which the incentive district 446
will be located a notice that states its intent to adopt an 447
ordinance creating an incentive district. The notice shall 448
include a copy of the proposed ordinance, identify the parcels 449
for which improvements are to be exempted from taxation, provide 450
an estimate of the true value in money of the improvements, 451
specify the period of time for which the improvements would be 452
exempted from taxation, specify the percentage of the 453
improvements that would be exempted from taxation, and indicate 454
the date on which the legislative authority intends to adopt the 455
ordinance. 456

(2) The board of county commissioners, by resolution 457
adopted by a majority of the board, may object to the exemption 458
for the number of years in excess of ten, may object to the 459
exemption for the percentage of the improvement to be exempted 460
in excess of seventy-five per cent, or both. If the board of 461
county commissioners objects, the board may negotiate a mutually 462
acceptable compensation agreement with the legislative 463
authority. In no case shall the compensation provided to the 464
board exceed the property taxes forgone due to the exemption. If 465
the board of county commissioners objects, and the board and 466
legislative authority fail to negotiate a mutually acceptable 467
compensation agreement, the ordinance adopted under division (C) 468
(1) of this section shall provide to the board compensation in 469
the eleventh and subsequent years of the exemption period equal 470
in value to not more than fifty per cent of the taxes that would 471

be payable to the county or, if the board's objection includes 472
an objection to an exemption percentage in excess of seventy- 473
five per cent, compensation equal in value to not more than 474
fifty per cent of the taxes that would be payable to the county, 475
on the portion of the improvement in excess of seventy-five per 476
cent, were that portion to be subject to taxation. The board of 477
county commissioners shall certify its resolution to the 478
legislative authority not later than thirty days after receipt 479
of the notice. 480

(3) If the board of county commissioners does not object 481
or fails to certify its resolution objecting to an exemption 482
within thirty days after receipt of the notice, the legislative 483
authority may adopt the ordinance, and no compensation shall be 484
provided to the board of county commissioners. If the board 485
timely certifies its resolution objecting to the ordinance, the 486
legislative authority may adopt the ordinance at any time after 487
a mutually acceptable compensation agreement is agreed to by the 488
board and the legislative authority, or, if no compensation 489
agreement is negotiated, at any time after the legislative 490
authority agrees in the proposed ordinance to provide 491
compensation to the board of fifty per cent of the taxes that 492
would be payable to the county in the eleventh and subsequent 493
years of the exemption period or on the portion of the 494
improvement in excess of seventy-five per cent, were that 495
portion to be subject to taxation. 496

(F) Service payments in lieu of taxes that are 497
attributable to any amount by which the effective tax rate of 498
either a renewal levy with an increase or a replacement levy 499
exceeds the effective tax rate of the levy renewed or replaced, 500
or that are attributable to an additional levy, for a levy 501
authorized by the voters for any of the following purposes on or 502

after January 1, 2006, and which are provided pursuant to an 503
ordinance creating an incentive district under division (C) (1) 504
of this section that is adopted on or after January 1, 2006, 505
shall be distributed to the appropriate taxing authority as 506
required under division (C) of section 5709.42 of the Revised 507
Code in an amount equal to the amount of taxes from that 508
additional levy or from the increase in the effective tax rate 509
of such renewal or replacement levy that would have been payable 510
to that taxing authority from the following levies were it not 511
for the exemption authorized under division (C) of this section: 512

(1) A tax levied under division (L) of section 5705.19 or 513
section 5705.191 or 5705.222 of the Revised Code for community 514
developmental disabilities programs and services pursuant to 515
Chapter 5126. of the Revised Code; 516

(2) A tax levied under division (Y) of section 5705.19 of 517
the Revised Code for providing or maintaining senior citizens 518
services or facilities; 519

(3) A tax levied under section 5705.22 of the Revised Code 520
for county hospitals; 521

(4) A tax levied by a joint-county district or by a county 522
under section 5705.19, 5705.191, or 5705.221 of the Revised Code 523
for alcohol, drug addiction, and mental health services or 524
facilities; 525

(5) A tax levied under section 5705.23 of the Revised Code 526
for library purposes; 527

(6) A tax levied under section 5705.24 of the Revised Code 528
for the support of children services and the placement and care 529
of children; 530

(7) A tax levied under division (Z) of section 5705.19 of 531

the Revised Code for the provision and maintenance of zoological 532
park services and facilities under section 307.76 of the Revised 533
Code; 534

(8) A tax levied under section 511.27 or division (H) of 535
section 5705.19 of the Revised Code for the support of township 536
park districts; 537

(9) A tax levied under division (A), (F), or (H) of 538
section 5705.19 of the Revised Code for parks and recreational 539
purposes of a joint recreation district organized pursuant to 540
division (B) of section 755.14 of the Revised Code; 541

(10) A tax levied under section 1545.20 or 1545.21 of the 542
Revised Code for park district purposes; 543

(11) A tax levied under section 5705.191 of the Revised 544
Code for the purpose of making appropriations for public 545
assistance; human or social services; public relief; public 546
welfare; public health and hospitalization; and support of 547
general hospitals; 548

(12) A tax levied under section 3709.29 of the Revised 549
Code for a general health district program. 550

(G) An exemption from taxation granted under this section 551
commences with the tax year specified in the ordinance so long 552
as the year specified in the ordinance commences after the 553
effective date of the ordinance. If the ordinance specifies a 554
year commencing before the effective date of the resolution or 555
specifies no year whatsoever, the exemption commences with the 556
tax year in which an exempted improvement first appears on the 557
tax list and duplicate of real and public utility property and 558
that commences after the effective date of the ordinance. In 559
lieu of stating a specific year, the ordinance may provide that 560

the exemption commences in the tax year in which the value of an 561
improvement exceeds a specified amount or in which the 562
construction of one or more improvements is completed, provided 563
that such tax year commences after the effective date of the 564
ordinance. With respect to the exemption of improvements to 565
parcels under division (B) of this section, the ordinance may 566
allow for the exemption to commence in different tax years on a 567
parcel-by-parcel basis, with a separate exemption term specified 568
for each parcel. 569

Except as otherwise provided in this division, the 570
exemption ends on the date specified in the ordinance as the 571
date the improvement ceases to be a public purpose or the 572
incentive district expires, or ends on the date on which the 573
public infrastructure improvements and housing renovations are 574
paid in full from the municipal public improvement tax increment 575
equivalent fund established under division (A) of section 576
5709.43 of the Revised Code, whichever occurs first. The 577
exemption of an improvement with respect to a parcel or within 578
an incentive district may end on a later date, as specified in 579
the ordinance, if the legislative authority and the board of 580
education of the city, local, or exempted village school 581
district within which the parcel or district is located have 582
entered into a compensation agreement under section 5709.82 of 583
the Revised Code with respect to the improvement, and the board 584
of education has approved the term of the exemption under 585
division (D) (2) of this section, but in no case shall the 586
improvement be exempted from taxation for more than thirty 587
years. Exemptions shall be claimed and allowed in the same 588
manner as in the case of other real property exemptions. If an 589
exemption status changes during a year, the procedure for the 590
apportionment of the taxes for that year is the same as in the 591

case of other changes in tax exemption status during the year. 592

(H) Additional municipal financing of public 593
infrastructure improvements and housing renovations may be 594
provided by any methods that the municipal corporation may 595
otherwise use for financing such improvements or renovations. If 596
the municipal corporation issues bonds or notes to finance the 597
public infrastructure improvements and housing renovations and 598
pledges money from the municipal public improvement tax 599
increment equivalent fund to pay the interest on and principal 600
of the bonds or notes, the bonds or notes are not subject to 601
Chapter 133. of the Revised Code. 602

(I) The municipal corporation, not later than fifteen days 603
after the adoption of an ordinance under this section, shall 604
submit to the director of development services a copy of the 605
ordinance. On or before the thirty-first day of March of each 606
year, the municipal corporation shall submit a status report to 607
the director of development services. The report shall indicate, 608
in the manner prescribed by the director, the progress of the 609
project during each year that an exemption remains in effect, 610
including a summary of the receipts from service payments in 611
lieu of taxes; expenditures of money from the funds created 612
under section 5709.43 of the Revised Code; a description of the 613
public infrastructure improvements and housing renovations 614
financed with such expenditures; and a quantitative summary of 615
changes in employment and private investment resulting from each 616
project. 617

(J) Nothing in this section shall be construed to prohibit 618
a legislative authority from declaring to be a public purpose 619
improvements with respect to more than one parcel. 620

(K) If a parcel is located in a new community district in 621

which the new community authority imposes a community 622
development charge on the basis of rentals received from leases 623
of real property as described in division (L) (2) of section 624
349.01 of the Revised Code, the parcel may not be exempted from 625
taxation under this section. 626

Sec. 5709.73. (A) As used in this section and section 627
5709.74 of the Revised Code: 628

(1) "Business day" means a day of the week excluding 629
Saturday, Sunday, and a legal holiday as defined in section 1.14 630
of the Revised Code. 631

(2) "Further improvements" or "improvements" means the 632
increase in the assessed value of real property that would first 633
appear on the tax list and duplicate of real and public utility 634
property after the effective date of a resolution adopted under 635
this section were it not for the exemption granted by that 636
resolution. For purposes of division (B) of this section, 637
"improvements" do not include any property used or to be used 638
for residential purposes. For this purpose, "property that is 639
used or to be used for residential purposes" means property 640
that, as improved, is used or to be used for purposes that would 641
cause the tax commissioner to classify the property as 642
residential property in accordance with rules adopted by the 643
commissioner under section 5713.041 of the Revised Code. 644

(3) "Housing renovation" means a project carried out for 645
residential purposes. 646

(4) "Incentive district" has the same meaning as in 647
section 5709.40 of the Revised Code, except that a blighted area 648
is in the unincorporated area of a township. 649

(5) "Overlay" has the same meaning as in section 5709.40 650

of the Revised Code, except that the overlay is delineated by 651
the board of township trustees. 652

(6) "Project" and "public infrastructure improvement" have 653
the same meanings as in section 5709.40 of the Revised Code. 654

(B) A board of township trustees may, by unanimous vote, 655
adopt a resolution that declares to be a public purpose any 656
public infrastructure improvements made that are necessary for 657
the development of certain parcels of land located in the 658
unincorporated area of the township. Except with the approval 659
under division (D) of this section of the board of education of 660
each city, local, or exempted village school district within 661
which the improvements are located, the resolution may exempt 662
from real property taxation not more than seventy-five per cent 663
of further improvements to a parcel of land that directly 664
benefits from the public infrastructure improvements, for a 665
period of not more than ten years. The resolution shall specify 666
the percentage of the further improvements to be exempted and 667
the life of the exemption. 668

(C) (1) A board of township trustees may adopt, by 669
unanimous vote, a resolution creating an incentive district and 670
declaring improvements to parcels within the district to be a 671
public purpose and, except as provided in division ~~(F)~~ (C) (2) of 672
this section, exempt from taxation as provided in this section, 673
but no board of township trustees of a township that has a 674
population that exceeds twenty-five thousand, as shown by the 675
most recent federal decennial census, shall adopt a resolution 676
that creates an incentive district if the sum of the taxable 677
value of real property in the proposed district for the 678
preceding tax year and the taxable value of all real property in 679
the township that would have been taxable in the preceding year 680

were it not for the fact that the property was in an existing 681
incentive district and therefore exempt from taxation exceeds 682
twenty-five per cent of the taxable value of real property in 683
the township for the preceding tax year. The district shall be 684
located within the unincorporated area of the township and shall 685
not include any territory that is included within a district 686
created under division (B) of section 5709.78 of the Revised 687
Code. The resolution shall delineate the boundary of the 688
proposed district and specifically identify each parcel within 689
the district. A proposed district may not include any parcel 690
that is or has been exempted from taxation under division (B) of 691
this section or that is or has been within another district 692
created under this division. A resolution may create more than 693
one such district, and more than one resolution may be adopted 694
under division (C) (1) of this section. 695

(2) (a) Not later than thirty days prior to adopting a 696
resolution under division (C) (1) of this section, if the 697
township intends to apply for exemptions from taxation under 698
section 5709.911 of the Revised Code on behalf of owners of real 699
property located within the proposed incentive district, the 700
board shall conduct a public hearing on the proposed resolution. 701
Not later than thirty days prior to the public hearing, the 702
board shall give notice of the public hearing and the proposed 703
resolution by first class mail to every real property owner 704
whose property is located within the boundaries of the proposed 705
incentive district that is the subject of the proposed 706
resolution. The notice shall include a map of the proposed 707
incentive district on which the board of township trustees shall 708
have delineated an overlay. The notice shall inform the property 709
owner of the owner's right to exclude the owner's property from 710
the incentive district if both of the following conditions are 711

met: 712

(i) The owner's entire parcel of property will not be 713
located within the overlay. 714

(ii) The owner has submitted a statement to the board of 715
county commissioners of the county in which the parcel is 716
located indicating the owner's intent to seek a tax exemption 717
for improvements to the owner's parcel under division (A) or (B) 718
of section 5709.78 of the Revised Code within the next five 719
years. 720

When both of the preceding conditions are met, the owner 721
may exclude the owner's property from the incentive district by 722
submitting a written response in accordance with division (C) (2) 723
(b) of this section. The notice also shall include information 724
detailing the required contents of the response, the address to 725
which the response may be mailed, and the deadline for 726
submitting the response. 727

(b) Any owner of real property located within the 728
boundaries of an incentive district proposed under division (C) 729
(1) of this section who meets the conditions specified in 730
divisions (C) (2) (a) (i) and (ii) of this section may exclude the 731
property from the proposed incentive district by submitting a 732
written response to the board not later than forty-five days 733
after the postmark date on the notice required under division 734
(C) (2) (a) of this section. The response shall include a copy of 735
the statement submitted under division (C) (2) (a) (ii) of this 736
section. The response shall be sent by first class mail or 737
delivered in person at a public hearing held by the board under 738
division (C) (2) (a) of this section. The response shall conform 739
to any content requirements that may be established by the board 740
and included in the notice provided under division (C) (2) (a) of 741

this section. In the response, property owners may identify a 742
parcel by street address, by the manner in which it is 743
identified in the resolution, or by other means allowing the 744
identity of the parcel to be ascertained. 745

(c) Before adopting a resolution under division (C)(1) of 746
this section, the board shall amend the resolution to exclude 747
any parcel for which a written response has been submitted under 748
division (C)(2)(b) of this section. A township shall not apply 749
for exemptions from taxation under section 5709.911 of the 750
Revised Code for any such parcel, and service payments may not 751
be required from the owner of the parcel. Improvements to a 752
parcel excluded from an incentive district under this division 753
may be exempted from taxation under division (B) of this section 754
pursuant to a resolution adopted under that division or under 755
any other section of the Revised Code under which the parcel 756
qualifies. 757

(3) (a) A resolution adopted under division (C)(1) of this 758
section shall specify the life of the incentive district and the 759
percentage of the improvements to be exempted, shall designate 760
the public infrastructure improvements made, to be made, or in 761
the process of being made, that benefit or serve, or, once made, 762
will benefit or serve parcels in the district. The resolution 763
also shall identify one or more specific projects being, or to 764
be, undertaken in the district that place additional demand on 765
the public infrastructure improvements designated in the 766
resolution. The project identified may, but need not be, the 767
project under division (C)(3)(b) of this section that places 768
real property in use for commercial or industrial purposes. 769

A resolution adopted under division (C)(1) of this section 770
on or after March 30, 2006, shall not designate police or fire 771

equipment as public infrastructure improvements, and no service 772
payment provided for in section 5709.74 of the Revised Code and 773
received by the township under the resolution shall be used for 774
police or fire equipment. 775

(b) A resolution adopted under division (C) (1) of this 776
section may authorize the use of service payments provided for 777
in section 5709.74 of the Revised Code for the purpose of 778
housing renovations within the incentive district, provided that 779
the resolution also designates public infrastructure 780
improvements that benefit or serve the district, and that a 781
project within the district places real property in use for 782
commercial or industrial purposes. Service payments may be used 783
to finance or support loans, deferred loans, and grants to 784
persons for the purpose of housing renovations within the 785
district. The resolution shall designate the parcels within the 786
district that are eligible for housing renovations. The 787
resolution shall state separately the amount or the percentages 788
of the expected aggregate service payments that are designated 789
for each public infrastructure improvement and for the purpose 790
of housing renovations. 791

(4) Except with the approval of the board of education of 792
each city, local, or exempted village school district within the 793
territory of which the incentive district is or will be located, 794
and subject to division (E) of this section, the life of an 795
incentive district shall not exceed ten years, and the 796
percentage of improvements to be exempted shall not exceed 797
seventy-five per cent. With approval of the board of education, 798
the life of a district may be not more than thirty years, and 799
the percentage of improvements to be exempted may be not more 800
than one hundred per cent. The approval of a board of education 801
shall be obtained in the manner provided in division (D) of this 802

section. 803

(D) Improvements with respect to a parcel may be exempted 804
from taxation under division (B) of this section, and 805
improvements to parcels within an incentive district may be 806
exempted from taxation under division (C) of this section, for 807
up to ten years or, with the approval of the board of education 808
of the city, local, or exempted village school district within 809
which the parcel or district is located, for up to thirty years. 810
The percentage of the improvements exempted from taxation may, 811
with such approval, exceed seventy-five per cent, but shall not 812
exceed one hundred per cent. Not later than forty-five business 813
days prior to adopting a resolution under this section declaring 814
improvements to be a public purpose that is subject to approval 815
by a board of education under this division, the board of 816
township trustees shall deliver to the board of education a 817
notice stating its intent to adopt a resolution making that 818
declaration. The notice regarding improvements with respect to a 819
parcel under division (B) of this section shall identify the 820
parcels for which improvements are to be exempted from taxation, 821
provide an estimate of the true value in money of the 822
improvements, specify the period for which the improvements 823
would be exempted from taxation and the percentage of the 824
improvements that would be exempted, and indicate the date on 825
which the board of township trustees intends to adopt the 826
resolution. The notice regarding improvements made under 827
division (C) of this section to parcels within an incentive 828
district shall delineate the boundaries of the district, 829
specifically identify each parcel within the district, identify 830
each anticipated improvement in the district, provide an 831
estimate of the true value in money of each such improvement, 832
specify the life of the district and the percentage of 833

improvements that would be exempted, and indicate the date on 834
which the board of township trustees intends to adopt the 835
resolution. The board of education, by resolution adopted by a 836
majority of the board, may approve the exemption for the period 837
or for the exemption percentage specified in the notice; may 838
disapprove the exemption for the number of years in excess of 839
ten, may disapprove the exemption for the percentage of the 840
improvements to be exempted in excess of seventy-five per cent, 841
or both; or may approve the exemption on the condition that the 842
board of township trustees and the board of education negotiate 843
an agreement providing for compensation to the school district 844
equal in value to a percentage of the amount of taxes exempted 845
in the eleventh and subsequent years of the exemption period or, 846
in the case of exemption percentages in excess of seventy-five 847
per cent, compensation equal in value to a percentage of the 848
taxes that would be payable on the portion of the improvements 849
in excess of seventy-five per cent were that portion to be 850
subject to taxation, or other mutually agreeable compensation. 851

The board of education shall certify its resolution to the 852
board of township trustees not later than fourteen days prior to 853
the date the board of township trustees intends to adopt the 854
resolution as indicated in the notice. If the board of education 855
and the board of township trustees negotiate a mutually 856
acceptable compensation agreement, the resolution may declare 857
the improvements a public purpose for the number of years 858
specified in the resolution or, in the case of exemption 859
percentages in excess of seventy-five per cent, for the 860
exemption percentage specified in the resolution. In either 861
case, if the board of education and the board of township 862
trustees fail to negotiate a mutually acceptable compensation 863
agreement, the resolution may declare the improvements a public 864

purpose for not more than ten years, and shall not exempt more 865
than seventy-five per cent of the improvements from taxation. If 866
the board of education fails to certify a resolution to the 867
board of township trustees within the time prescribed by this 868
section, the board of township trustees thereupon may adopt the 869
resolution and may declare the improvements a public purpose for 870
up to thirty years or, in the case of exemption percentages 871
proposed in excess of seventy-five per cent, for the exemption 872
percentage specified in the resolution. The board of township 873
trustees may adopt the resolution at any time after the board of 874
education certifies its resolution approving the exemption to 875
the board of township trustees, or, if the board of education 876
approves the exemption on the condition that a mutually 877
acceptable compensation agreement be negotiated, at any time 878
after the compensation agreement is agreed to by the board of 879
education and the board of township trustees. If a mutually 880
acceptable compensation agreement is negotiated between the 881
board of township trustees and the board of education, including 882
agreements for payments in lieu of taxes under section 5709.74 883
of the Revised Code, the board of township trustees shall 884
compensate the joint vocational school district within which the 885
parcel or district is located at the same rate and under the 886
same terms received by the city, local, or exempted village 887
school district. 888

If a board of education has adopted a resolution waiving 889
its right to approve exemptions from taxation under this section 890
and the resolution remains in effect, approval of such 891
exemptions by the board of education is not required under 892
division (D) of this section. If a board of education has 893
adopted a resolution allowing a board of township trustees to 894
deliver the notice required under division (D) of this section 895

fewer than forty-five business days prior to adoption of the 896
resolution by the board of township trustees, the board of 897
township trustees shall deliver the notice to the board of 898
education not later than the number of days prior to the 899
adoption as prescribed by the board of education in its 900
resolution. If a board of education adopts a resolution waiving 901
its right to approve exemptions or shortening the notification 902
period, the board of education shall certify a copy of the 903
resolution to the board of township trustees. If the board of 904
education rescinds the resolution, it shall certify notice of 905
the rescission to the board of township trustees. 906

If the board of township trustees is not required by 907
division (D) of this section to notify the board of education of 908
the board of township trustees' intent to declare improvements 909
to be a public purpose, the board of township trustees shall 910
comply with the notice requirements imposed under section 911
5709.83 of the Revised Code before taking formal action to adopt 912
the resolution making that declaration, unless the board of 913
education has adopted a resolution under that section waiving 914
its right to receive the notice. 915

(E) (1) If a proposed resolution under division (C) (1) of 916
this section exempts improvements with respect to a parcel 917
within an incentive district for more than ten years, or the 918
percentage of the improvement exempted from taxation exceeds 919
seventy-five per cent, not later than forty-five business days 920
prior to adopting the resolution the board of township trustees 921
shall deliver to the board of county commissioners of the county 922
within which the incentive district is or will be located a 923
notice that states its intent to adopt a resolution creating an 924
incentive district. The notice shall include a copy of the 925
proposed resolution, identify the parcels for which improvements 926

are to be exempted from taxation, provide an estimate of the 927
true value in money of the improvements, specify the period of 928
time for which the improvements would be exempted from taxation, 929
specify the percentage of the improvements that would be 930
exempted from taxation, and indicate the date on which the board 931
of township trustees intends to adopt the resolution. 932

(2) The board of county commissioners, by resolution 933
adopted by a majority of the board, may object to the exemption 934
for the number of years in excess of ten, may object to the 935
exemption for the percentage of the improvement to be exempted 936
in excess of seventy-five per cent, or both. If the board of 937
county commissioners objects, the board may negotiate a mutually 938
acceptable compensation agreement with the board of township 939
trustees. In no case shall the compensation provided to the 940
board of county commissioners exceed the property taxes foregone 941
due to the exemption. If the board of county commissioners 942
objects, and the board of county commissioners and board of 943
township trustees fail to negotiate a mutually acceptable 944
compensation agreement, the resolution adopted under division 945
(C) (1) of this section shall provide to the board of county 946
commissioners compensation in the eleventh and subsequent years 947
of the exemption period equal in value to not more than fifty 948
per cent of the taxes that would be payable to the county or, if 949
the board of county commissioner's objection includes an 950
objection to an exemption percentage in excess of seventy-five 951
per cent, compensation equal in value to not more than fifty per 952
cent of the taxes that would be payable to the county, on the 953
portion of the improvement in excess of seventy-five per cent, 954
were that portion to be subject to taxation. The board of county 955
commissioners shall certify its resolution to the board of 956
township trustees not later than thirty days after receipt of 957

the notice. 958

(3) If the board of county commissioners does not object 959
or fails to certify its resolution objecting to an exemption 960
within thirty days after receipt of the notice, the board of 961
township trustees may adopt its resolution, and no compensation 962
shall be provided to the board of county commissioners. If the 963
board of county commissioners timely certifies its resolution 964
objecting to the trustees' resolution, the board of township 965
trustees may adopt its resolution at any time after a mutually 966
acceptable compensation agreement is agreed to by the board of 967
county commissioners and the board of township trustees, or, if 968
no compensation agreement is negotiated, at any time after the 969
board of township trustees agrees in the proposed resolution to 970
provide compensation to the board of county commissioners of 971
fifty per cent of the taxes that would be payable to the county 972
in the eleventh and subsequent years of the exemption period or 973
on the portion of the improvement in excess of seventy-five per 974
cent, were that portion to be subject to taxation. 975

(F) Service payments in lieu of taxes that are 976
attributable to any amount by which the effective tax rate of 977
either a renewal levy with an increase or a replacement levy 978
exceeds the effective tax rate of the levy renewed or replaced, 979
or that are attributable to an additional levy, for a levy 980
authorized by the voters for any of the following purposes on or 981
after January 1, 2006, and which are provided pursuant to a 982
resolution creating an incentive district under division (C) (1) 983
of this section that is adopted on or after January 1, 2006, 984
shall be distributed to the appropriate taxing authority as 985
required under division (C) of section 5709.74 of the Revised 986
Code in an amount equal to the amount of taxes from that 987
additional levy or from the increase in the effective tax rate 988

of such renewal or replacement levy that would have been payable	989
to that taxing authority from the following levies were it not	990
for the exemption authorized under division (C) of this section:	991
(1) A tax levied under division (L) of section 5705.19 or	992
section 5705.191 or 5705.222 of the Revised Code for community	993
developmental disabilities programs and services pursuant to	994
Chapter 5126. of the Revised Code;	995
(2) A tax levied under division (Y) of section 5705.19 of	996
the Revised Code for providing or maintaining senior citizens	997
services or facilities;	998
(3) A tax levied under section 5705.22 of the Revised Code	999
for county hospitals;	1000
(4) A tax levied by a joint-county district or by a county	1001
under section 5705.19, 5705.191, or 5705.221 of the Revised Code	1002
for alcohol, drug addiction, and mental health services or	1003
families;	1004
(5) A tax levied under section 5705.23 of the Revised Code	1005
for library purposes;	1006
(6) A tax levied under section 5705.24 of the Revised Code	1007
for the support of children services and the placement and care	1008
of children;	1009
(7) A tax levied under division (Z) of section 5705.19 of	1010
the Revised Code for the provision and maintenance of zoological	1011
park services and facilities under section 307.76 of the Revised	1012
Code;	1013
(8) A tax levied under section 511.27 or division (H) of	1014
section 5705.19 of the Revised Code for the support of township	1015
park districts;	1016

(9) A tax levied under division (A), (F), or (H) of 1017
section 5705.19 of the Revised Code for parks and recreational 1018
purposes of a joint recreation district organized pursuant to 1019
division (B) of section 755.14 of the Revised Code; 1020

(10) A tax levied under section 1545.20 or 1545.21 of the 1021
Revised Code for park district purposes; 1022

(11) A tax levied under section 5705.191 of the Revised 1023
Code for the purpose of making appropriations for public 1024
assistance; human or social services; public relief; public 1025
welfare; public health and hospitalization; and support of 1026
general hospitals; 1027

(12) A tax levied under section 3709.29 of the Revised 1028
Code for a general health district program. 1029

(G) An exemption from taxation granted under this section 1030
commences with the tax year specified in the resolution so long 1031
as the year specified in the resolution commences after the 1032
effective date of the resolution. If the resolution specifies a 1033
year commencing before the effective date of the resolution or 1034
specifies no year whatsoever, the exemption commences with the 1035
tax year in which an exempted improvement first appears on the 1036
tax list and duplicate of real and public utility property and 1037
that commences after the effective date of the resolution. In 1038
lieu of stating a specific year, the resolution may provide that 1039
the exemption commences in the tax year in which the value of an 1040
improvement exceeds a specified amount or in which the 1041
construction of one or more improvements is completed, provided 1042
that such tax year commences after the effective date of the 1043
resolution. With respect to the exemption of improvements to 1044
parcels under division (B) of this section, the resolution may 1045
allow for the exemption to commence in different tax years on a 1046

parcel-by-parcel basis, with a separate exemption term specified 1047
for each parcel. 1048

Except as otherwise provided in this division, the 1049
exemption ends on the date specified in the resolution as the 1050
date the improvement ceases to be a public purpose or the 1051
incentive district expires, or ends on the date on which the 1052
public infrastructure improvements and housing renovations are 1053
paid in full from the township public improvement tax increment 1054
equivalent fund established under section 5709.75 of the Revised 1055
Code, whichever occurs first. The exemption of an improvement 1056
with respect to a parcel or within an incentive district may end 1057
on a later date, as specified in the resolution, if the board of 1058
township trustees and the board of education of the city, local, 1059
or exempted village school district within which the parcel or 1060
district is located have entered into a compensation agreement 1061
under section 5709.82 of the Revised Code with respect to the 1062
improvement and the board of education has approved the term of 1063
the exemption under division (D) of this section, but in no case 1064
shall the improvement be exempted from taxation for more than 1065
thirty years. The board of township trustees may, by majority 1066
vote, adopt a resolution permitting the township to enter into 1067
such agreements as the board finds necessary or appropriate to 1068
provide for the construction or undertaking of public 1069
infrastructure improvements and housing renovations. Any 1070
exemption shall be claimed and allowed in the same or a similar 1071
manner as in the case of other real property exemptions. If an 1072
exemption status changes during a tax year, the procedure for 1073
the apportionment of the taxes for that year is the same as in 1074
the case of other changes in tax exemption status during the 1075
year. 1076

(H) The board of township trustees may issue the notes of 1077

the township to finance all costs pertaining to the construction 1078
or undertaking of public infrastructure improvements and housing 1079
renovations made pursuant to this section. The notes shall be 1080
signed by the board and attested by the signature of the 1081
township fiscal officer, shall bear interest not to exceed the 1082
rate provided in section 9.95 of the Revised Code, and are not 1083
subject to Chapter 133. of the Revised Code. The resolution 1084
authorizing the issuance of the notes shall pledge the funds of 1085
the township public improvement tax increment equivalent fund 1086
established pursuant to section 5709.75 of the Revised Code to 1087
pay the interest on and principal of the notes. The notes, which 1088
may contain a clause permitting prepayment at the option of the 1089
board, shall be offered for sale on the open market or given to 1090
the vendor or contractor if no sale is made. 1091

(I) The township, not later than fifteen days after the 1092
adoption of a resolution under this section, shall submit to the 1093
director of development services a copy of the resolution. On or 1094
before the thirty-first day of March of each year, the township 1095
shall submit a status report to the director of development 1096
services. The report shall indicate, in the manner prescribed by 1097
the director, the progress of the project during each year that 1098
the exemption remains in effect, including a summary of the 1099
receipts from service payments in lieu of taxes; expenditures of 1100
money from the fund created under section 5709.75 of the Revised 1101
Code; a description of the public infrastructure improvements 1102
and housing renovations financed with the expenditures; and a 1103
quantitative summary of changes in private investment resulting 1104
from each project. 1105

(J) Nothing in this section shall be construed to prohibit 1106
a board of township trustees from declaring to be a public 1107
purpose improvements with respect to more than one parcel. 1108

If a parcel is located in a new community district in 1109
which the new community authority imposes a community 1110
development charge on the basis of rentals received from leases 1111
of real property as described in division (L) (2) of section 1112
349.01 of the Revised Code, the parcel may not be exempted from 1113
taxation under this section. 1114

(K) A board of township trustees that adopted a resolution 1115
under this section prior to July 21, 1994, may amend that 1116
resolution to include any additional public infrastructure 1117
improvement. A board of township trustees that seeks by the 1118
amendment to utilize money from its township public improvement 1119
tax increment equivalent fund for land acquisition in aid of 1120
industry, commerce, distribution, or research, demolition on 1121
private property, or stormwater and flood remediation projects 1122
may do so provided that the board currently is a party to a 1123
hold-harmless agreement with the board of education of the city, 1124
local, or exempted village school district within the territory 1125
of which are located the parcels that are subject to an 1126
exemption. For the purposes of this division, a "hold-harmless 1127
agreement" means an agreement under which the board of township 1128
trustees agrees to compensate the school district for one 1129
hundred per cent of the tax revenue that the school district 1130
would have received from further improvements to parcels 1131
designated in the resolution were it not for the exemption 1132
granted by the resolution. 1133

(L) Notwithstanding the limitation prescribed by division 1134
(D) of this section on the number of years that improvements to 1135
a parcel or parcels may be exempted from taxation, a board of 1136
trustees of a township with a population of fifteen thousand or 1137
more may amend a resolution originally adopted under this 1138
section before December 31, 1994, to extend the exemption of 1139

improvements to the parcel or parcels included in such 1140
resolution for an additional period not to exceed fifteen years. 1141
The amendment shall not increase the percentage of improvements 1142
to the parcel or parcels exempted from taxation. The board of 1143
township trustees shall comply with the notice requirements 1144
imposed under section 5709.83 of the Revised Code before taking 1145
formal action to adopt an amendment authorized under this 1146
division unless the board of education has adopted a resolution 1147
under that section waiving its right to receive the notice. The 1148
board of township trustees shall deliver an identical notice to 1149
the board of county commissioners of each county in which the 1150
exempted parcels are located. 1151

Sec. 5709.77. As used in sections 5709.77 to 5709.81 of 1152
the Revised Code: 1153

(A) "Business day" means a day of the week excluding 1154
Saturday, Sunday, and a legal holiday as defined in section 1.14 1155
of the Revised Code. 1156

(B) "Fund" means to provide for the payment of the debt 1157
service on and the expenses relating to an outstanding 1158
obligation of the county. 1159

(C) "Housing renovation" means a project carried out for 1160
residential purposes. 1161

(D) "Improvement" means the increase in the assessed value 1162
of real property that would first appear on the tax list and 1163
duplicate of real and public utility property after the 1164
effective date of a resolution adopted under section 5709.78 of 1165
the Revised Code were it not for the exemption granted by that 1166
resolution. For purposes of division (A) of section 5709.78 of 1167
the Revised Code, "improvement" does not include any property 1168

used or to be used for residential purposes. For this purpose, 1169
"property that is used or to be used for residential purposes" 1170
means property that, as improved, is used or to be used for 1171
purposes that would cause the tax commissioner to classify the 1172
property as residential property in accordance with rules 1173
adopted by the commissioner under section 5713.041 of the 1174
Revised Code. 1175

(E) "Incentive district" has the same meaning as in 1176
section 5709.40 of the Revised Code, except that a blighted area 1177
is in the unincorporated territory of a county. 1178

(F) "Refund" means to fund and retire an outstanding 1179
obligation of the county. 1180

(G) "Overlay" has the same meaning as in section 5709.40 1181
of the Revised Code, except that the overlay is delineated by 1182
the board of county commissioners. 1183

(H) "Project" and "public infrastructure improvement" have 1184
the same meanings as in section 5709.40 of the Revised Code. 1185

Sec. 5709.78. (A) A board of county commissioners may, by 1186
resolution, declare improvements to certain parcels of real 1187
property located in the unincorporated territory of the county 1188
to be a public purpose. Except with the approval under division 1189
(C) of this section of the board of education of each city, 1190
local, or exempted village school district within which the 1191
improvements are located, not more than seventy-five per cent of 1192
an improvement thus declared to be a public purpose may be 1193
exempted from real property taxation, for a period of not more 1194
than ten years. The resolution shall specify the percentage of 1195
the improvement to be exempted and the life of the exemption. 1196

A resolution adopted under this division shall designate 1197

the specific public infrastructure improvements made, to be 1198
made, or in the process of being made by the county that 1199
directly benefit, or that once made will directly benefit, the 1200
parcels for which improvements are declared to be a public 1201
purpose. The service payments provided for in section 5709.79 of 1202
the Revised Code shall be used to finance the public 1203
infrastructure improvements designated in the resolution, or as 1204
provided in section 5709.80 of the Revised Code. 1205

(B) (1) A board of county commissioners may adopt a 1206
resolution creating an incentive district and declaring 1207
improvements to parcels within the district to be a public 1208
purpose and, except as provided in division ~~(E)~~ (B) (2) of this 1209
section, exempt from taxation as provided in this section, but 1210
no board of county commissioners of a county that has a 1211
population that exceeds twenty-five thousand, as shown by the 1212
most recent federal decennial census, shall adopt a resolution 1213
that creates an incentive district if the sum of the taxable 1214
value of real property in the proposed district for the 1215
preceding tax year and the taxable value of all real property in 1216
the county that would have been taxable in the preceding year 1217
were it not for the fact that the property was in an existing 1218
incentive district and therefore exempt from taxation exceeds 1219
twenty-five per cent of the taxable value of real property in 1220
the county for the preceding tax year. The district shall be 1221
located within the unincorporated territory of the county and 1222
shall not include any territory that is included within a 1223
district created under division (C) of section 5709.73 of the 1224
Revised Code. The resolution shall delineate the boundary of the 1225
proposed district and specifically identify each parcel within 1226
the district. A proposed district may not include any parcel 1227
that is or has been exempted from taxation under division (A) of 1228

this section or that is or has been within another district 1229
created under this division. A resolution may create more than 1230
one such district, and more than one resolution may be adopted 1231
under division (B) (1) of this section. 1232

(2) (a) Not later than thirty days prior to adopting a 1233
resolution under division (B) (1) of this section, if the county 1234
intends to apply for exemptions from taxation under section 1235
5709.911 of the Revised Code on behalf of owners of real 1236
property located within the proposed incentive district, the 1237
board of county commissioners shall conduct a public hearing on 1238
the proposed resolution. Not later than thirty days prior to the 1239
public hearing, the board shall give notice of the public 1240
hearing and the proposed resolution by first class mail to every 1241
real property owner whose property is located within the 1242
boundaries of the proposed incentive district that is the 1243
subject of the proposed resolution. The board also shall provide 1244
the notice by first class mail to the clerk of each township in 1245
which the proposed incentive district will be located. The 1246
notice shall include a map of the proposed incentive district on 1247
which the board of county commissioners shall have delineated an 1248
overlay. The notice shall inform property owners of the owner's 1249
right to exclude the owner's property from the incentive 1250
district if both of the following conditions are met: 1251

(i) The owner's entire parcel of property will not be 1252
located within the overlay. 1253

(ii) The owner has submitted a statement to the board of 1254
township trustees of the township in which the parcel is located 1255
indicating the owner's intent to seek a tax exemption for 1256
improvements to the owner's parcel under division (B) or (C) of 1257
section 5709.73 of the Revised Code within the next five years. 1258

When both of the preceding conditions are met, the owner 1259
may exclude the owner's property from the incentive district by 1260
submitting a written response in accordance with division (B) (2) 1261
(b) of this section. The notice also shall include information 1262
detailing the required contents of the response, the address to 1263
which the response may be mailed, and the deadline for 1264
submitting the response. 1265

(b) Any owner of real property located within the 1266
boundaries of an incentive district proposed under division (B) 1267
(1) of this section who meets the conditions specified in 1268
divisions (B) (2) (a) (i) and (ii) of this section may exclude the 1269
property from the proposed incentive district by submitting a 1270
written response to the board not later than forty-five days 1271
after the postmark date on the notice required under division 1272
(B) (2) (a) of this section. The response shall include a copy of 1273
the statement submitted under division (B) (2) (a) (ii) of this 1274
section. The response shall be sent by first class mail or 1275
delivered in person at a public hearing held by the board under 1276
division (B) (2) (a) of this section. The response shall conform 1277
to any content requirements that may be established by the board 1278
and included in the notice provided under division (B) (2) (a) of 1279
this section. In the response, property owners may identify a 1280
parcel by street address, by the manner in which it is 1281
identified in the resolution, or by other means allowing the 1282
identity of the parcel to be ascertained. 1283

(c) Before adopting a resolution under division (B) (1) of 1284
this section, the board shall amend the resolution to exclude 1285
any parcel for which a written response has been submitted under 1286
division (B) (2) (b) of this section. A county shall not apply for 1287
exemptions from taxation under section 5709.911 of the Revised 1288
Code for any such parcel, and service payments may not be 1289

required from the owner of the parcel. Improvements to a parcel 1290
excluded from an incentive district under this division may be 1291
exempted from taxation under division (A) of this section 1292
pursuant to a resolution adopted under that division or under 1293
any other section of the Revised Code under which the parcel 1294
qualifies. 1295

(3) (a) A resolution adopted under division (B) (1) of this 1296
section shall specify the life of the incentive district and the 1297
percentage of the improvements to be exempted, shall designate 1298
the public infrastructure improvements made, to be made, or in 1299
the process of being made, that benefit or serve, or, once made, 1300
will benefit or serve parcels in the district. The resolution 1301
also shall identify one or more specific projects being, or to 1302
be, undertaken in the district that place additional demand on 1303
the public infrastructure improvements designated in the 1304
resolution. The project identified may, but need not be, the 1305
project under division (B) (3) (b) of this section that places 1306
real property in use for commercial or industrial purposes. 1307

A resolution adopted under division (B) (1) of this section 1308
on or after March 30, 2006, shall not designate police or fire 1309
equipment as public infrastructure improvements, and no service 1310
payment provided for in section 5709.79 of the Revised Code and 1311
received by the county under the resolution shall be used for 1312
police or fire equipment. 1313

(b) A resolution adopted under division (B) (1) of this 1314
section may authorize the use of service payments provided for 1315
in section 5709.79 of the Revised Code for the purpose of 1316
housing renovations within the incentive district, provided that 1317
the resolution also designates public infrastructure 1318
improvements that benefit or serve the district, and that a 1319

project within the district places real property in use for 1320
commercial or industrial purposes. Service payments may be used 1321
to finance or support loans, deferred loans, and grants to 1322
persons for the purpose of housing renovations within the 1323
district. The resolution shall designate the parcels within the 1324
district that are eligible for housing renovations. The 1325
resolution shall state separately the amount or the percentages 1326
of the expected aggregate service payments that are designated 1327
for each public infrastructure improvement and for the purpose 1328
of housing renovations. 1329

(4) Except with the approval of the board of education of 1330
each city, local, or exempted village school district within the 1331
territory of which the incentive district is or will be located, 1332
and subject to division (D) of this section, the life of an 1333
incentive district shall not exceed ten years, and the 1334
percentage of improvements to be exempted shall not exceed 1335
seventy-five per cent. With approval of the board of education, 1336
the life of a district may be not more than thirty years, and 1337
the percentage of improvements to be exempted may be not more 1338
than one hundred per cent. The approval of a board of education 1339
shall be obtained in the manner provided in division (C) of this 1340
section. 1341

(C) (1) Improvements with respect to a parcel may be 1342
exempted from taxation under division (A) of this section, and 1343
improvements to parcels within an incentive district may be 1344
exempted from taxation under division (B) of this section, for 1345
up to ten years or, with the approval of the board of education 1346
of each city, local, or exempted village school district within 1347
which the parcel or district is located, for up to thirty years. 1348
The percentage of the improvements exempted from taxation may, 1349
with such approval, exceed seventy-five per cent, but shall not 1350

exceed one hundred per cent. Not later than forty-five business 1351
days prior to adopting a resolution under this section declaring 1352
improvements to be a public purpose that is subject to the 1353
approval of a board of education under this division, the board 1354
of county commissioners shall deliver to the board of education 1355
a notice stating its intent to adopt a resolution making that 1356
declaration. The notice regarding improvements with respect to a 1357
parcel under division (A) of this section shall identify the 1358
parcels for which improvements are to be exempted from taxation, 1359
provide an estimate of the true value in money of the 1360
improvements, specify the period for which the improvements 1361
would be exempted from taxation and the percentage of the 1362
improvements that would be exempted, and indicate the date on 1363
which the board of county commissioners intends to adopt the 1364
resolution. The notice regarding improvements to parcels within 1365
an incentive district under division (B) of this section shall 1366
delineate the boundaries of the district, specifically identify 1367
each parcel within the district, identify each anticipated 1368
improvement in the district, provide an estimate of the true 1369
value in money of each such improvement, specify the life of the 1370
district and the percentage of improvements that would be 1371
exempted, and indicate the date on which the board of county 1372
commissioners intends to adopt the resolution. The board of 1373
education, by resolution adopted by a majority of the board, may 1374
approve the exemption for the period or for the exemption 1375
percentage specified in the notice; may disapprove the exemption 1376
for the number of years in excess of ten, may disapprove the 1377
exemption for the percentage of the improvements to be exempted 1378
in excess of seventy-five per cent, or both; or may approve the 1379
exemption on the condition that the board of county 1380
commissioners and the board of education negotiate an agreement 1381
providing for compensation to the school district equal in value 1382

to a percentage of the amount of taxes exempted in the eleventh 1383
and subsequent years of the exemption period or, in the case of 1384
exemption percentages in excess of seventy-five per cent, 1385
compensation equal in value to a percentage of the taxes that 1386
would be payable on the portion of the improvements in excess of 1387
seventy-five per cent were that portion to be subject to 1388
taxation, or other mutually agreeable compensation. 1389

(2) The board of education shall certify its resolution to 1390
the board of county commissioners not later than fourteen days 1391
prior to the date the board of county commissioners intends to 1392
adopt its resolution as indicated in the notice. If the board of 1393
education and the board of county commissioners negotiate a 1394
mutually acceptable compensation agreement, the resolution of 1395
the board of county commissioners may declare the improvements a 1396
public purpose for the number of years specified in that 1397
resolution or, in the case of exemption percentages in excess of 1398
seventy-five per cent, for the exemption percentage specified in 1399
the resolution. In either case, if the board of education and 1400
the board of county commissioners fail to negotiate a mutually 1401
acceptable compensation agreement, the resolution may declare 1402
the improvements a public purpose for not more than ten years, 1403
and shall not exempt more than seventy-five per cent of the 1404
improvements from taxation. If the board of education fails to 1405
certify a resolution to the board of county commissioners within 1406
the time prescribed by this section, the board of county 1407
commissioners thereupon may adopt the resolution and may declare 1408
the improvements a public purpose for up to thirty years or, in 1409
the case of exemption percentages proposed in excess of seventy- 1410
five per cent, for the exemption percentage specified in the 1411
resolution. The board of county commissioners may adopt the 1412
resolution at any time after the board of education certifies 1413

its resolution approving the exemption to the board of county 1414
commissioners, or, if the board of education approves the 1415
exemption on the condition that a mutually acceptable 1416
compensation agreement be negotiated, at any time after the 1417
compensation agreement is agreed to by the board of education 1418
and the board of county commissioners. If a mutually acceptable 1419
compensation agreement is negotiated between the board of county 1420
commissioners and the board of education, including agreements 1421
for payments in lieu of taxes under section 5709.79 of the 1422
Revised Code, the board of county commissioners shall compensate 1423
the joint vocational school district within which the parcel or 1424
district is located at the same rate and under the same terms 1425
received by the city, local, or exempted village school 1426
district. 1427

(3) If a board of education has adopted a resolution 1428
waiving its right to approve exemptions from taxation under this 1429
section and the resolution remains in effect, approval of such 1430
exemptions by the board of education is not required under 1431
division (C) of this section. If a board of education has 1432
adopted a resolution allowing a board of county commissioners to 1433
deliver the notice required under division (C) of this section 1434
fewer than forty-five business days prior to approval of the 1435
resolution by the board of county commissioners, the board of 1436
county commissioners shall deliver the notice to the board of 1437
education not later than the number of days prior to such 1438
approval as prescribed by the board of education in its 1439
resolution. If a board of education adopts a resolution waiving 1440
its right to approve exemptions or shortening the notification 1441
period, the board of education shall certify a copy of the 1442
resolution to the board of county commissioners. If the board of 1443
education rescinds such a resolution, it shall certify notice of 1444

the rescission to the board of county commissioners. 1445

(D) (1) If a proposed resolution under division (B) (1) of 1446
this section exempts improvements with respect to a parcel 1447
within an incentive district for more than ten years, or the 1448
percentage of the improvement exempted from taxation exceeds 1449
seventy-five per cent, not later than forty-five business days 1450
prior to adopting the resolution the board of county 1451
commissioners shall deliver to the board of township trustees of 1452
any township within which the incentive district is or will be 1453
located a notice that states its intent to adopt a resolution 1454
creating an incentive district. The notice shall include a copy 1455
of the proposed resolution, identify the parcels for which 1456
improvements are to be exempted from taxation, provide an 1457
estimate of the true value in money of the improvements, specify 1458
the period of time for which the improvements would be exempted 1459
from taxation, specify the percentage of the improvements that 1460
would be exempted from taxation, and indicate the date on which 1461
the board intends to adopt the resolution. 1462

(2) The board of township trustees, by resolution adopted 1463
by a majority of the board, may object to the exemption for the 1464
number of years in excess of ten, may object to the exemption 1465
for the percentage of the improvement to be exempted in excess 1466
of seventy-five per cent, or both. If the board of township 1467
trustees objects, the board of township trustees may negotiate a 1468
mutually acceptable compensation agreement with the board of 1469
county commissioners. In no case shall the compensation provided 1470
to the board of township trustees exceed the property taxes 1471
forgone due to the exemption. If the board of township trustees 1472
objects, and the board of township trustees and the board of 1473
county commissioners fail to negotiate a mutually acceptable 1474
compensation agreement, the resolution adopted under division 1475

(B) (1) of this section shall provide to the board of township trustees compensation in the eleventh and subsequent years of the exemption period equal in value to not more than fifty per cent of the taxes that would be payable to the township or, if the board of township trustee's objection includes an objection to an exemption percentage in excess of seventy-five per cent, compensation equal in value to not more than fifty per cent of the taxes that would be payable to the township on the portion of the improvement in excess of seventy-five per cent, were that portion to be subject to taxation. The board of township trustees shall certify its resolution to the board of county commissioners not later than thirty days after receipt of the notice.

(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 1507
the eleventh and subsequent years of the exemption period or on 1508
the portion of the improvement in excess of seventy-five per 1509
cent, were that portion to be subject to taxation. 1510

(E) Service payments in lieu of taxes that are 1511
attributable to any amount by which the effective tax rate of 1512
either a renewal levy with an increase or a replacement levy 1513
exceeds the effective tax rate of the levy renewed or replaced, 1514
or that are attributable to an additional levy, for a levy 1515
authorized by the voters for any of the following purposes on or 1516
after January 1, 2006, and which are provided pursuant to a 1517
resolution creating an incentive district under division (B)(1) 1518
of this section that is adopted on or after January 1, 2006, 1519
shall be distributed to the appropriate taxing authority as 1520
required under division (D) of section 5709.79 of the Revised 1521
Code in an amount equal to the amount of taxes from that 1522
additional levy or from the increase in the effective tax rate 1523
of such renewal or replacement levy that would have been payable 1524
to that taxing authority from the following levies were it not 1525
for the exemption authorized under division (B) of this section: 1526

(1) A tax levied under division (L) of section 5705.19 or 1527
section 5705.191 or 5705.222 of the Revised Code for community 1528
developmental disabilities programs and services pursuant to 1529
Chapter 5126. of the Revised Code; 1530

(2) A tax levied under division (Y) of section 5705.19 of 1531
the Revised Code for providing or maintaining senior citizens 1532
services or facilities; 1533

(3) A tax levied under section 5705.22 of the Revised Code 1534
for county hospitals; 1535

(4) A tax levied by a joint-county district or by a county	1536
under section 5705.19, 5705.191, or 5705.221 of the Revised Code	1537
for alcohol, drug addiction, and mental health services or	1538
facilities;	1539
(5) A tax levied under section 5705.23 of the Revised Code	1540
for library purposes;	1541
(6) A tax levied under section 5705.24 of the Revised Code	1542
for the support of children services and the placement and care	1543
of children;	1544
(7) A tax levied under division (Z) of section 5705.19 of	1545
the Revised Code for the provision and maintenance of zoological	1546
park services and facilities under section 307.76 of the Revised	1547
Code;	1548
(8) A tax levied under section 511.27 or division (H) of	1549
section 5705.19 of the Revised Code for the support of township	1550
park districts;	1551
(9) A tax levied under division (A), (F), or (H) of	1552
section 5705.19 of the Revised Code for parks and recreational	1553
purposes of a joint recreation district organized pursuant to	1554
division (B) of section 755.14 of the Revised Code;	1555
(10) A tax levied under section 1545.20 or 1545.21 of the	1556
Revised Code for park district purposes;	1557
(11) A tax levied under section 5705.191 of the Revised	1558
Code for the purpose of making appropriations for public	1559
assistance; human or social services; public relief; public	1560
welfare; public health and hospitalization; and support of	1561
general hospitals;	1562
(12) A tax levied under section 3709.29 of the Revised	1563

Code for a general health district program. 1564

(F) An exemption from taxation granted under this section 1565
commences with the tax year specified in the resolution so long 1566
as the year specified in the resolution commences after the 1567
effective date of the resolution. If the resolution specifies a 1568
year commencing before the effective date of the resolution or 1569
specifies no year whatsoever, the exemption commences with the 1570
tax year in which an exempted improvement first appears on the 1571
tax list and duplicate of real and public utility property and 1572
that commences after the effective date of the resolution. In 1573
lieu of stating a specific year, the resolution may provide that 1574
the exemption commences in the tax year in which the value of an 1575
improvement exceeds a specified amount or in which the 1576
construction of one or more improvements is completed, provided 1577
that such tax year commences after the effective date of the 1578
resolution. With respect to the exemption of improvements to 1579
parcels under division (A) of this section, the resolution may 1580
allow for the exemption to commence in different tax years on a 1581
parcel-by-parcel basis, with a separate exemption term specified 1582
for each parcel. 1583

Except as otherwise provided in this division, the 1584
exemption ends on the date specified in the resolution as the 1585
date the improvement ceases to be a public purpose or the 1586
incentive district expires, or ends on the date on which the 1587
county can no longer require annual service payments in lieu of 1588
taxes under section 5709.79 of the Revised Code, whichever 1589
occurs first. The exemption of an improvement with respect to a 1590
parcel or within an incentive district may end on a later date, 1591
as specified in the resolution, if the board of commissioners 1592
and the board of education of the city, local, or exempted 1593
village school district within which the parcel or district is 1594

located have entered into a compensation agreement under section 1595
5709.82 of the Revised Code with respect to the improvement, and 1596
the board of education has approved the term of the exemption 1597
under division (C) (1) of this section, but in no case shall the 1598
improvement be exempted from taxation for more than thirty 1599
years. Exemptions shall be claimed and allowed in the same or a 1600
similar manner as in the case of other real property exemptions. 1601
If an exemption status changes during a tax year, the procedure 1602
for the apportionment of the taxes for that year is the same as 1603
in the case of other changes in tax exemption status during the 1604
year. 1605

(G) If the board of county commissioners is not required 1606
by this section to notify the board of education of the board of 1607
county commissioners' intent to declare improvements to be a 1608
public purpose, the board of county commissioners shall comply 1609
with the notice requirements imposed under section 5709.83 of 1610
the Revised Code before taking formal action to adopt the 1611
resolution making that declaration, unless the board of 1612
education has adopted a resolution under that section waiving 1613
its right to receive such a notice. 1614

(H) The county, not later than fifteen days after the 1615
adoption of a resolution under this section, shall submit to the 1616
director of development services a copy of the resolution. On or 1617
before the thirty-first day of March of each year, the county 1618
shall submit a status report to the director of development 1619
services. The report shall indicate, in the manner prescribed by 1620
the director, the progress of the project during each year that 1621
an exemption remains in effect, including a summary of the 1622
receipts from service payments in lieu of taxes; expenditures of 1623
money from the fund created under section 5709.80 of the Revised 1624
Code; a description of the public infrastructure improvements 1625

and housing renovations financed with such expenditures; and a 1626
quantitative summary of changes in employment and private 1627
investment resulting from each project. 1628

(I) Nothing in this section shall be construed to prohibit 1629
a board of county commissioners from declaring to be a public 1630
purpose improvements with respect to more than one parcel. 1631

(J) If a parcel is located in a new community district in 1632
which the new community authority imposes a community 1633
development charge on the basis of rentals received from leases 1634
of real property as described in division (L) (2) of section 1635
349.01 of the Revised Code, the parcel may not be exempted from 1636
taxation under this section. 1637

Sec. 5709.911. (A) (1) A municipal corporation, township, 1638
or county that has enacted an ordinance or resolution under 1639
section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 1640
Revised Code or that has entered into an agreement referred to 1641
in section 725.02 or 1728.07 of the Revised Code may file an 1642
application for exemption under those sections in the same 1643
manner as other real property tax exemptions, notwithstanding 1644
the indication in division (A) of section 5715.27 of the Revised 1645
Code that the owner of the property may file the application. An 1646
application for exemption may not be filed by a municipal 1647
corporation, township, or county for an exemption of a parcel 1648
under section 5709.40, 5709.73, or 5709.78 of the Revised Code 1649
if the property owner excludes the property from such exemption 1650
as provided in that section. 1651

(2) Except as provided in division (B) of this section, if 1652
the application for exemption under section 725.02, 1728.10, 1653
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 1654
Code is filed by a municipal corporation, township, or county 1655

and more than one real property tax exemption applies by law to 1656
the property or a portion of the property, both of the following 1657
apply: 1658

(a) An exemption granted under section 725.02, 1728.10, 1659
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 1660
Code shall be subordinate to an exemption with respect to the 1661
property or portion of the property granted under any other 1662
provision of the Revised Code. 1663

(b) Neither service payments in lieu of taxes under 1664
section 725.04, 5709.42, 5709.46, 5709.74, or 5709.79 of the 1665
Revised Code, nor service charges in lieu of taxes under section 1666
1728.11 or 1728.111 of the Revised Code, shall be required with 1667
respect to the property or portion of the property that is 1668
exempt from real property taxes under that other provision of 1669
the Revised Code during the effective period of the exemption. 1670

(B) (1) If the application for exemption under section 1671
725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 1672
of the Revised Code is filed by the owner of the property or by 1673
a municipal corporation, township, or county with the owner's 1674
written consent attached to the application, and if more than 1675
one real property tax exemption applies by law to the property 1676
or a portion of the property, no other exemption shall be 1677
granted for the portion of the property already exempt under 1678
section 725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 1679
5709.78 of the Revised Code unless the municipal corporation, 1680
township, or county that enacted the authorizing ordinance or 1681
resolution for the earlier exemption provides its duly 1682
authorized written consent to the subsequent exemption by means 1683
of a duly enacted ordinance or resolution. 1684

(2) If the application for exemption under section 725.02, 1685

1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the 1686
Revised Code is filed by a municipal corporation, township, or 1687
county and approved by the tax commissioner, if the owner of the 1688
property subsequently provides written consent to the exemption 1689
and the consent is filed with the tax commissioner, and if more 1690
than one real property tax exemption applies by law to the 1691
property or a portion of the property, no other exemption shall 1692
be granted for the portion of the property already exempt under 1693
section 725.02, 1728.10, 5709.40, 5709.41, 5709.45, 5709.73, or 1694
5709.78 of the Revised Code unless the municipal corporation, 1695
township, or county that enacted the authorizing ordinance or 1696
resolution for the earlier exemption provides its duly 1697
authorized written consent to the subsequent exemption by means 1698
of a duly enacted ordinance or resolution. 1699

(C) (1) After the tax commissioner has approved or 1700
partially approved an application for exemption filed by or with 1701
the consent of a property owner under the circumstances 1702
described in division (B) (1) of this section, the municipal 1703
corporation, township, county, or property owner shall file a 1704
notice with the county recorder for the county in which the 1705
property is located that clearly identifies the property and the 1706
owner of the property and states that the property, regardless 1707
of future use or ownership, remains liable for any service 1708
payments or service charges required by the exemption until the 1709
terms of the exemption have been satisfied, unless the municipal 1710
corporation, township, or county consents to the subsequent 1711
exemption and relinquishes its right to collect the service 1712
payments or service charges as provided in division (B) (1) of 1713
this section. The county recorder's office shall charge a fee of 1714
fourteen dollars to record the notice, the proceeds of which 1715
shall be retained by the county. 1716

(2) If a property owner subsequently provides written 1717
consent to an exemption under the circumstances described in 1718
division (B) (2) of this section, the municipal corporation, 1719
township, county, or property owner shall file notice with the 1720
county recorder for the county in which the property is located 1721
that clearly identifies the property and the owner of the 1722
property and states that the property, regardless of future use 1723
or ownership, remains liable for any service payments or service 1724
charges required by the exemption until the terms of the 1725
exemption have been satisfied, unless the municipal corporation, 1726
township, or county consents to the subsequent exemption and 1727
relinquishes its right to collect the service payments or 1728
service charges as provided in division (B) (2) of this section. 1729
The county recorder's office shall charge a fee of fourteen 1730
dollars to record the notice, the proceeds of which shall be 1731
retained by the county. 1732

(D) Upon filing of the notice with the county recorder, 1733
the provisions of division (B) of this section are binding on 1734
all future owners of the property or portion of the property, 1735
regardless of how the property is used. Failure to file the 1736
notice with the county recorder relieves future owners of the 1737
property from the obligation to make service payments in lieu of 1738
taxes under section 725.04, 5709.42, 5709.46, 5709.74, or 1739
5709.79 of the Revised Code or service charges in lieu of taxes 1740
under section 1728.11 or 1728.111 of the Revised Code, if the 1741
property or a portion of the property later qualifies for 1742
exemption under any other provision of the Revised Code. Failure 1743
to file the notice does not, however, relieve the owner of the 1744
property, at the time the application for exemption is filed, 1745
from making those payments or charges. 1746

Section 2. That existing sections 5301.07, 5709.40, 1747

5709.73, 5709.77, 5709.78, and 5709.911 of the Revised Code are 1748
hereby repealed. 1749

Section 3. The General Assembly, applying the principle 1750
stated in division (B) of section 1.52 of the Revised Code that 1751
amendments are to be harmonized if reasonably capable of 1752
simultaneous operation, finds that the following sections, 1753
presented in this act as composites of the sections as amended 1754
by the acts indicated, are the resulting versions of the 1755
sections in effect prior to the effective date of the sections 1756
as presented in this act: 1757

Section 5709.40 of the Revised Code as amended by Sub. 1758
H.B. 158, Sub. H.B. 413, and Am. Sub. H.B. 483, all of the 131st 1759
General Assembly. 1760

Section 5709.73 of the Revised Code as amended by both 1761
Sub. H.B. 158 and Am. Sub. H.B. 483 of the 131st General 1762
Assembly. 1763

Section 5709.78 of the Revised Code as amended by both 1764
Sub. H.B. 158 and Am. Sub. H.B. 483 of the 131st General 1765
Assembly. 1766