

As Introduced

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

H. B. No. 596

Representative Robinson

**Cosponsors: Representatives Brent, Brewer, Liston, McNally, Miller, J., Mohamed,
Somani, Troy, Weinstein**

A BILL

To amend section 5709.40 of the Revised Code to 1
require school board approval of municipal tax 2
increment financing incentive district 3
arrangements. 4

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

Section 1. That section 5709.40 of the Revised Code be 5
amended to read as follows: 6

Sec. 5709.40. (A) As used in this section: 7

(1) "Blighted area" and "impacted city" have the same 8
meanings as in section 1728.01 of the Revised Code. 9

(2) "Business day" means a day of the week excluding 10
Saturday, Sunday, and a legal holiday as defined under section 11
1.14 of the Revised Code. 12

(3) "Housing renovation" means a project carried out for 13
residential purposes. 14

(4) "Improvement" means the increase in the assessed value 15
of any real property that would first appear on the tax list and 16

duplicate of real and public utility property after the 17
effective date of an ordinance adopted under this section were 18
it not for the exemption granted by that ordinance. 19

(5) "Incentive district" means an area not more than three 20
hundred acres in size enclosed by a continuous boundary in which 21
a project is being, or will be, undertaken and having one or 22
more of the following distress characteristics: 23

(a) At least fifty-one per cent of the residents of the 24
district have incomes of less than eighty per cent of the median 25
income of residents of the political subdivision in which the 26
district is located, as determined in the same manner specified 27
under section 119(b) of the "Housing and Community Development 28
Act of 1974," 88 Stat. 633, 42 U.S.C. 5318, as amended; 29

(b) The average rate of unemployment in the district 30
during the most recent twelve-month period for which data are 31
available is equal to at least one hundred fifty per cent of the 32
average rate of unemployment for this state for the same period. 33

(c) At least twenty per cent of the people residing in the 34
district live at or below the poverty level as defined in the 35
federal Housing and Community Development Act of 1974, 42 U.S.C. 36
5301, as amended, and regulations adopted pursuant to that act. 37

(d) The district is a blighted area. 38

(e) The district is in a situational distress area as 39
designated by the director of development under division (F) of 40
section 122.23 of the Revised Code. 41

(f) As certified by the engineer for the political 42
subdivision, the public infrastructure serving the district is 43
inadequate to meet the development needs of the district as 44
evidenced by a written economic development plan or urban 45

renewal plan for the district that has been adopted by the 46
legislative authority of the subdivision. 47

(g) The district is comprised entirely of unimproved land 48
that is located in a distressed area as defined in section 49
122.23 of the Revised Code. 50

(6) "Overlay" means an area of not more than three hundred 51
acres that is a square, or that is a rectangle having two longer 52
sides that are not more than twice the length of the two shorter 53
sides, that the legislative authority of a municipal corporation 54
delineates on a map of a proposed incentive district. 55

(7) "Project" means development activities undertaken on 56
one or more parcels, including, but not limited to, 57
construction, expansion, and alteration of buildings or 58
structures, demolition, remediation, and site development, and 59
any building or structure that results from those activities. 60

(8) "Public infrastructure improvement" includes, but is 61
not limited to, public roads and highways; water and sewer 62
lines; the continued maintenance of those public roads and 63
highways and water and sewer lines; environmental remediation; 64
land acquisition, including acquisition in aid of industry, 65
commerce, distribution, or research; demolition, including 66
demolition on private property when determined to be necessary 67
for economic development purposes; stormwater and flood 68
remediation projects, including such projects on private 69
property when determined to be necessary for public health, 70
safety, and welfare; the provision of gas, electric, and 71
communications service facilities, including the provision of 72
gas or electric service facilities owned by nongovernmental 73
entities when such improvements are determined to be necessary 74
for economic development purposes; the enhancement of public 75

waterways through improvements that allow for greater public 76
access; and off-street parking facilities, including those in 77
which all or a portion of the parking spaces are reserved for 78
specific uses when determined to be necessary for economic 79
development purposes. 80

(9) "Nonperforming parcel" means a parcel to which all of 81
the following apply: 82

(a) The parcel is exempted from taxation under division 83
(B) of this section or has been included in a district created 84
under division (C) of this section. 85

(b) The parcel's owner is required to make payments in 86
lieu of taxes in accordance with section 5709.42 of the Revised 87
Code. 88

(c) No such payments have been remitted to the county 89
treasurer since the inception of the exemption or district. 90

(B) The legislative authority of a municipal corporation, 91
by ordinance, may declare improvements to certain parcels of 92
real property located in the municipal corporation to be a 93
public purpose. Improvements with respect to a parcel that is 94
used or to be used for residential purposes may be declared a 95
public purpose under this division only if the parcel is located 96
in a blighted area of an impacted city. For this purpose, 97
"parcel that is used or to be used for residential purposes" 98
means a parcel that, as improved, is used or to be used for 99
purposes that would cause the tax commissioner to classify the 100
parcel as residential property in accordance with rules adopted 101
by the commissioner under section 5713.041 of the Revised Code. 102
Except as otherwise provided under division (D) of this section 103
or section 5709.51 of the Revised Code, not more than seventy- 104

five per cent of an improvement thus declared to be a public 105
purpose may be exempted from real property taxation for a period 106
of not more than ten years. The ordinance shall specify the 107
percentage of the improvement to be exempted from taxation and 108
the life of the exemption. 109

An ordinance adopted or amended under this division shall 110
designate the specific public infrastructure improvements made, 111
to be made, or in the process of being made by the municipal 112
corporation that directly benefit, or that once made will 113
directly benefit, the parcels for which improvements are 114
declared to be a public purpose. The service payments provided 115
for in section 5709.42 of the Revised Code shall be used to 116
finance the public infrastructure improvements designated in the 117
ordinance, for the purpose described in division (D) (1) of this 118
section or as provided in section 5709.43 of the Revised Code. 119

(C) (1) The legislative authority of a municipal 120
corporation may adopt an ordinance creating an incentive 121
district and declaring improvements to parcels within the 122
district to be a public purpose and, except as provided in 123
division (C) (2) of this section, exempt from taxation as 124
provided in this section, ~~but no~~. Before adopting such an 125
ordinance, the legislative authority shall comply with division 126
(D) of this section and obtain the approval of the board of 127
education of the affected school district if such approval is 128
required by that division. The legislative authority of a 129
municipal corporation that has a population that exceeds twenty- 130
five thousand, as shown by the most recent federal decennial 131
census, ~~shall may not adopt such an ordinance that creates an~~ 132
~~incentive district~~ if the sum of the taxable value of real 133
property in the proposed district for the preceding tax year and 134
the taxable value of all real property in the municipal 135

corporation that would have been taxable in the preceding year 136
were it not for the fact that the property was in an existing 137
incentive district and therefore exempt from taxation exceeds 138
twenty-five per cent of the taxable value of real property in 139
the municipal corporation for the preceding tax year. ~~The~~ 140

The ordinance shall delineate the boundary of the proposed 141
district and specifically identify each parcel within the 142
district. A proposed district may not include any parcel, other 143
than a nonperforming parcel, that is or has been exempted from 144
taxation under division (B) of this section or that is or has 145
been within another district created under this division. On and 146
after the effective date of the district, a nonperforming parcel 147
within the district is no longer exempted from taxation under 148
division (B) of this section or included within an incentive 149
district under any previous ordinance, and the parcel's owner is 150
no longer required to make payments in lieu of taxes under such 151
a previous ordinance in accordance with section 5709.42 of the 152
Revised Code. Any exemption application filed with the tax 153
commissioner under section 5715.27 of the Revised Code under the 154
second ordinance shall identify the nonperforming parcels 155
included in the second district, the original ordinance under 156
which the nonperforming parcels were originally exempted, and 157
the value history of each nonperforming parcel since the 158
enactment of the original ordinance. An ordinance may create 159
more than one such district, and more than one ordinance may be 160
adopted under division (C) (1) of this section. 161

(2) (a) Not later than thirty days prior to adopting an 162
ordinance under division (C) (1) of this section, if the 163
municipal corporation intends to apply for exemptions from 164
taxation under section 5709.911 of the Revised Code on behalf of 165
owners of real property located within the proposed incentive 166

district, the legislative authority of the municipal corporation 167
shall conduct a public hearing on the proposed ordinance. Not 168
later than thirty days prior to the public hearing, the 169
legislative authority shall give notice of the public hearing 170
and the proposed ordinance by first class mail to every real 171
property owner whose property is located within the boundaries 172
of the proposed incentive district that is the subject of the 173
proposed ordinance. The notice shall include a map of the 174
proposed incentive district on which the legislative authority 175
of the municipal corporation shall have delineated an overlay. 176
The notice shall inform the property owner of the owner's right 177
to exclude the owner's property from the incentive district if 178
the owner's entire parcel of property will not be located within 179
the overlay, by submitting a written response in accordance with 180
division (C) (2) (b) of this section. The notice also shall 181
include information detailing the required contents of the 182
response, the address to which the response may be mailed, and 183
the deadline for submitting the response. 184

(b) Any owner of real property located within the 185
boundaries of an incentive district proposed under division (C) 186
(1) of this section whose entire parcel of property is not 187
located within the overlay may exclude the property from the 188
proposed incentive district by submitting a written response to 189
the legislative authority of the municipal corporation not later 190
than forty-five days after the postmark date on the notice 191
required under division (C) (2) (a) of this section. The response 192
shall be sent by first class mail or delivered in person at a 193
public hearing held by the legislative authority under division 194
(C) (2) (a) of this section. The response shall conform to any 195
content requirements that may be established by the municipal 196
corporation and included in the notice provided under division 197

(C) (2) (a) of this section. In the response, property owners may 198
identify a parcel by street address, by the manner in which it 199
is identified in the ordinance, or by other means allowing the 200
identity of the parcel to be ascertained. 201

(c) Before adopting an ordinance under division (C) (1) of 202
this section, the legislative authority of a municipal 203
corporation shall amend the ordinance to exclude any parcel 204
located wholly or partly outside the overlay for which a written 205
response has been submitted under division (C) (2) (b) of this 206
section. A municipal corporation shall not apply for exemptions 207
from taxation under section 5709.911 of the Revised Code for any 208
such parcel, and service payments may not be required from the 209
owner of the parcel. Improvements to a parcel excluded from an 210
incentive district under this division may be exempted from 211
taxation under division (B) of this section pursuant to an 212
ordinance adopted under that division or under any other section 213
of the Revised Code under which the parcel qualifies. 214

(3) (a) An ordinance adopted under division (C) (1) of this 215
section shall specify the life of the incentive district and the 216
percentage of the improvements to be exempted, shall designate 217
the public infrastructure improvements made, to be made, or in 218
the process of being made, that benefit or serve, or, once made, 219
will benefit or serve parcels in the district. The ordinance 220
also shall identify one or more specific projects being, or to 221
be, undertaken in the district that place additional demand on 222
the public infrastructure improvements designated in the 223
ordinance. The project identified may, but need not be, the 224
project under division (C) (3) (b) of this section that places 225
real property in use for commercial or industrial purposes. 226
Except as otherwise permitted under that division, the service 227
payments provided for in section 5709.42 of the Revised Code 228

shall be used to finance the designated public infrastructure 229
improvements, for the purpose described in division (D) (1), (E), 230
or (F) of this section, or as provided in section 5709.43 of the 231
Revised Code. 232

An ordinance adopted under division (C) (1) of this section 233
on or after March 30, 2006, shall not designate police or fire 234
equipment as public infrastructure improvements, and no service 235
payment provided for in section 5709.42 of the Revised Code and 236
received by the municipal corporation under the ordinance shall 237
be used for police or fire equipment. 238

(b) An ordinance adopted under division (C) (1) of this 239
section may authorize the use of service payments provided for 240
in section 5709.42 of the Revised Code for the purpose of 241
housing renovations within the incentive district, provided that 242
the ordinance also designates public infrastructure improvements 243
that benefit or serve the district, and that a project within 244
the district places real property in use for commercial or 245
industrial purposes. Service payments may be used to finance or 246
support loans, deferred loans, and grants to persons for the 247
purpose of housing renovations within the district. The 248
ordinance shall designate the parcels within the district that 249
are eligible for housing renovation. The ordinance shall state 250
separately the amounts or the percentages of the expected 251
aggregate service payments that are designated for each public 252
infrastructure improvement and for the general purpose of 253
housing renovations. 254

~~(4) Except with the approval of the board of education of 255
each city, local, or exempted village school district within the 256
territory of which the incentive district is or will be located, 257
and subject Subject to division (E) of this section, the life of 258~~

~~an incentive district shall not exceed ten years, and the~~ 259
~~percentage of improvements to be exempted shall not exceed~~ 260
~~seventy five per cent. With approval of the board of education,~~ 261
the life of a district may be not more than thirty years, and 262
the percentage of improvements to be exempted may be not more 263
than one hundred per cent. ~~The approval of a board of education~~ 264
~~shall be obtained in the manner provided in division (D) of this~~ 265
~~section.~~ 266

(D) (1) If the ordinance declaring improvements to a parcel 267
to be a public purpose under division (B) of this section or 268
creating an incentive district under division (C) of this 269
section specifies that payments in lieu of taxes provided for in 270
section 5709.42 of the Revised Code shall be paid to the city, 271
local, or exempted village, and joint vocational school district 272
in which the parcel or incentive district is located in the 273
amount of the taxes that would have been payable to the school 274
district if the improvements had not been exempted from 275
taxation, ~~the~~ one of the following shall apply, as applicable: 276

(a) In the case of an ordinance adopted under division (B) 277
of this section, the percentage of the improvement that may be 278
exempted from taxation may exceed seventy-five per cent, and the 279
exemption may be granted for up to thirty years, without the 280
approval of the board of education as otherwise required under 281
division (D) (2) of this section. 282

(b) In the case of an ordinance adopted under division (C) 283
of this section, the approval of the board of education shall 284
not be required under division (D) (2) of this section. 285

~~(2) (a) Improvements with respect to a parcel may be~~ 286
exempted from taxation under division (B) of this section, ~~and~~ 287
~~improvements to parcels within an incentive district may be~~ 288

~~exempted from taxation under division (C) of this section,~~ for 289
up to ten years or, with the approval under this paragraph of 290
the board of education of the city, local, or exempted village 291
school district within which the parcel ~~or district~~ is located, 292
for up to thirty years. The percentage of the improvement 293
exempted from taxation may, with such approval, exceed seventy- 294
five per cent, but shall not exceed one hundred per cent. Not 295
later than forty-five business days prior to adopting an 296
ordinance under division (B) of this section declaring 297
improvements to be a public purpose that is subject to approval 298
by a board of education under this division, the legislative 299
authority shall deliver to the board of education a notice 300
stating its intent to adopt an ordinance making that 301
declaration. The notice ~~regarding improvements with respect to a~~ 302
~~parcel under division (B) of this section~~ shall identify the 303
parcels for which improvements are to be exempted from taxation, 304
provide an estimate of the true value in money of the 305
improvements, specify the period for which the improvements 306
would be exempted from taxation and the percentage of the 307
improvement that would be exempted, and indicate the date on 308
which the legislative authority intends to adopt the ordinance. 309
~~The notice regarding improvements to parcels within an incentive~~ 310
~~district under division (C) of this section shall delineate the~~ 311
~~boundaries of the district, specifically identify each parcel~~ 312
~~within the district, identify each anticipated improvement in~~ 313
~~the district, provide an estimate of the true value in money of~~ 314
~~each such improvement, specify the life of the district and the~~ 315
~~percentage of improvements that would be exempted, and indicate~~ 316
~~the date on which the legislative authority intends to adopt the~~ 317
~~ordinance.~~ The board of education, by resolution adopted by a 318
majority of the board, may approve the exemption for the period 319
or for the exemption percentage specified in the notice; may 320

disapprove the exemption for the number of years in excess of 321
ten, may disapprove the exemption for the percentage of the 322
improvement to be exempted in excess of seventy-five per cent, 323
or both; or may approve the exemption on the condition that the 324
legislative authority and the board negotiate an agreement 325
providing for compensation to the school district equal in value 326
to a percentage of the amount of taxes exempted in the eleventh 327
and subsequent years of the exemption period or, in the case of 328
exemption percentages in excess of seventy-five per cent, 329
compensation equal in value to a percentage of the taxes that 330
would be payable on the portion of the improvement in excess of 331
seventy-five per cent were that portion to be subject to 332
taxation, or other mutually agreeable compensation. If an 333
agreement is negotiated between the legislative authority and 334
the board to compensate the school district for all or part of 335
the taxes exempted, including agreements for payments in lieu of 336
taxes under section 5709.42 of the Revised Code, the legislative 337
authority shall compensate the joint vocational school district 338
within which the parcel or district is located at the same rate 339
and under the same terms received by the city, local, or 340
exempted village school district. 341

(b) Except as otherwise provided in divisions (D)(1) and 342
(4) of this section, a legislative authority may not exempt 343
improvements to parcels within an incentive district under 344
division (C) of this section from taxation unless it obtains the 345
approval, under division (D)(2)(b) of this section, of the board 346
of education of the city, local, or exempted village school 347
district within which the district is located. To obtain this 348
approval, the legislative authority shall, not later than forty- 349
five business days before adopting an ordinance under division 350
(C) of this section declaring improvements to be a public 351

purpose, deliver to the board of education a notice stating its 352
intent to adopt an ordinance making that declaration. The notice 353
shall delineate the boundaries of the district, specifically 354
identify each parcel within the district, identify each 355
anticipated improvement in the district, provide an estimate of 356
the true value in money of each such improvement, specify the 357
life of the district and the percentage of improvements that 358
would be exempted, and indicate the date on which the 359
legislative authority intends to adopt the ordinance. 360

The board of education, by resolution adopted by a 361
majority of the board, may approve the exemption for the period 362
and for the exemption percentage specified in the notice; may 363
disapprove the exemption; or may approve the exemption on the 364
condition that the legislative authority and the board negotiate 365
an agreement providing for compensation to the school district. 366
If an agreement is negotiated between the legislative authority 367
and the board to compensate the school district for all or part 368
of the taxes exempted, including agreements for payments in lieu 369
of taxes under section 5709.42 of the Revised Code, the 370
legislative authority shall compensate the joint vocational 371
school district within which the parcel or district is located 372
at the same rate and under the same terms received by the city, 373
local, or exempted village school district. 374

(3) The board of education shall certify its resolution 375
adopted under division (D)(2)(a) or (b) of this section to the 376
legislative authority not later than fourteen days prior to the 377
date the legislative authority intends to adopt the ordinance as 378
indicated in the notice. If the board of education and the 379
legislative authority negotiate a mutually acceptable 380
compensation agreement, the ordinance may declare the 381
improvements a public purpose for the number of years and the 382

~~exemption percentage specified in the ordinance or, in the case~~ 383
~~of exemption percentages in excess of seventy-five per cent, for~~ 384
~~the exemption percentage specified in the ordinance. In either~~ 385
the case of an ordinance proposed under division (B) of this 386
section, if the board and the legislative authority fail to 387
negotiate a mutually acceptable compensation agreement, the 388
ordinance may declare the improvements a public purpose for not 389
more than ten years, and shall not exempt more than seventy-five 390
per cent of the improvements from taxation. If the board fails 391
to certify a resolution to the legislative authority within the 392
time prescribed by this division, the legislative authority 393
thereupon may adopt the ordinance and may declare the 394
improvements a public purpose for up to thirty years, ~~or, in the~~ 395
~~case of exemption percentages proposed in excess of seventy-five~~ 396
~~per cent~~, for the exemption percentage specified in the 397
ordinance. The legislative authority may adopt the ordinance at 398
any time after the board of education certifies its resolution 399
approving the exemption to the legislative authority, or, if the 400
board approves the exemption on the condition that a mutually 401
acceptable compensation agreement be negotiated, at any time 402
after the compensation agreement is agreed to by the board and 403
the legislative authority. 404

(4) If a board of education has adopted a resolution 405
waiving its right to approve exemptions from taxation under this 406
section and the resolution remains in effect, approval of 407
exemptions by the board is not required under division ~~(D)~~ (D) 408
(2) (a) or (b) of this section. If a board of education has 409
adopted a resolution allowing a legislative authority to deliver 410
the notice required under division (D) of this section fewer 411
than forty-five business days prior to the legislative 412
authority's adoption of the ordinance, the legislative authority 413

shall deliver the notice to the board not later than the number 414
of days prior to such adoption as prescribed by the board in its 415
resolution. If a board of education adopts a resolution waiving 416
its right to approve agreements or shortening the notification 417
period, the board shall certify a copy of the resolution to the 418
legislative authority. If the board of education rescinds such a 419
resolution, it shall certify notice of the rescission to the 420
legislative authority. 421

(5) If the legislative authority is not required by 422
division (D) of this section to notify the board of education of 423
the legislative authority's intent to declare improvements to be 424
a public purpose, the legislative authority shall comply with 425
the notice requirements imposed under section 5709.83 of the 426
Revised Code, unless the board has adopted a resolution under 427
that section waiving its right to receive such a notice. 428

(6) Nothing in division (D) of this section prohibits the 429
legislative authority of a municipal corporation from amending 430
the ordinance or resolution under section 5709.51 of the Revised 431
Code to extend the term of the exemption. 432

(E) (1) If a proposed ordinance under division (C) (1) of 433
this section exempts improvements with respect to a parcel 434
within an incentive district for more than ten years, or the 435
percentage of the improvement exempted from taxation exceeds 436
seventy-five per cent, not later than forty-five business days 437
prior to adopting the ordinance the legislative authority of the 438
municipal corporation shall deliver to the board of county 439
commissioners of the county within which the incentive district 440
will be located a notice that states its intent to adopt an 441
ordinance creating an incentive district. The notice shall 442
include a copy of the proposed ordinance, identify the parcels 443

for which improvements are to be exempted from taxation, provide 444
an estimate of the true value in money of the improvements, 445
specify the period of time for which the improvements would be 446
exempted from taxation, specify the percentage of the 447
improvements that would be exempted from taxation, and indicate 448
the date on which the legislative authority intends to adopt the 449
ordinance. 450

(2) The board of county commissioners, by resolution 451
adopted by a majority of the board, may object to the exemption 452
for the number of years in excess of ten, may object to the 453
exemption for the percentage of the improvement to be exempted 454
in excess of seventy-five per cent, or both. If the board of 455
county commissioners objects, the board may negotiate a mutually 456
acceptable compensation agreement with the legislative 457
authority. In no case shall the compensation provided to the 458
board exceed the property taxes forgone due to the exemption. If 459
the board of county commissioners objects, and the board and 460
legislative authority fail to negotiate a mutually acceptable 461
compensation agreement, the ordinance adopted under division (C) 462
(1) of this section shall provide to the board compensation in 463
the eleventh and subsequent years of the exemption period equal 464
in value to not more than fifty per cent of the taxes that would 465
be payable to the county or, if the board's objection includes 466
an objection to an exemption percentage in excess of seventy- 467
five per cent, compensation equal in value to not more than 468
fifty per cent of the taxes that would be payable to the county, 469
on the portion of the improvement in excess of seventy-five per 470
cent, were that portion to be subject to taxation. The board of 471
county commissioners shall certify its resolution to the 472
legislative authority not later than thirty days after receipt 473
of the notice. 474

(3) If the board of county commissioners does not object 475
or fails to certify its resolution objecting to an exemption 476
within thirty days after receipt of the notice, the legislative 477
authority may adopt the ordinance, and no compensation shall be 478
provided to the board of county commissioners. If the board 479
timely certifies its resolution objecting to the ordinance, the 480
legislative authority may adopt the ordinance at any time after 481
a mutually acceptable compensation agreement is agreed to by the 482
board and the legislative authority, or, if no compensation 483
agreement is negotiated, at any time after the legislative 484
authority agrees in the proposed ordinance to provide 485
compensation to the board of fifty per cent of the taxes that 486
would be payable to the county in the eleventh and subsequent 487
years of the exemption period or on the portion of the 488
improvement in excess of seventy-five per cent, were that 489
portion to be subject to taxation. 490

(F) Service payments in lieu of taxes that are 491
attributable to any amount by which the effective tax rate of 492
either a renewal levy with an increase or a replacement levy 493
exceeds the effective tax rate of the levy renewed or replaced, 494
or that are attributable to an additional levy, for a levy 495
authorized by the voters for any of the following purposes on or 496
after January 1, 2006, and which are provided pursuant to an 497
ordinance creating an incentive district under division (C)(1) 498
of this section that is adopted on or after January 1, 2006, or 499
a later date as specified in this division, shall be distributed 500
to the appropriate taxing authority as required under division 501
(C) of section 5709.42 of the Revised Code in an amount equal to 502
the amount of taxes from that additional levy or from the 503
increase in the effective tax rate of such renewal or 504
replacement levy that would have been payable to that taxing 505

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| authority from the following levies were it not for the | 506 |
| exemption authorized under division (C) of this section: | 507 |
| (1) A tax levied under division (L) of section 5705.19 or | 508 |
| section 5705.191 or 5705.222 of the Revised Code for community | 509 |
| developmental disabilities programs and services pursuant to | 510 |
| Chapter 5126. of the Revised Code; | 511 |
| (2) A tax levied under division (Y) of section 5705.19 of | 512 |
| the Revised Code for providing or maintaining senior citizens | 513 |
| services or facilities; | 514 |
| (3) A tax levied under section 5705.22 of the Revised Code | 515 |
| for county hospitals; | 516 |
| (4) A tax levied by a joint-county district or by a county | 517 |
| under section 5705.19, 5705.191, or 5705.221 of the Revised Code | 518 |
| for alcohol, drug addiction, and mental health services or | 519 |
| facilities; | 520 |
| (5) A tax levied under section 5705.23 of the Revised Code | 521 |
| for library purposes; | 522 |
| (6) A tax levied under section 5705.24 of the Revised Code | 523 |
| for the support of children services and the placement and care | 524 |
| of children; | 525 |
| (7) A tax levied under division (Z) of section 5705.19 of | 526 |
| the Revised Code for the provision and maintenance of zoological | 527 |
| park services and facilities under section 307.76 of the Revised | 528 |
| Code; | 529 |
| (8) A tax levied under section 511.27 or division (H) of | 530 |
| section 5705.19 of the Revised Code for the support of township | 531 |
| park districts; | 532 |
| (9) A tax levied under division (A), (F), or (H) of | 533 |

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| section 5705.19 of the Revised Code for parks and recreational purposes of a joint recreation district organized pursuant to division (B) of section 755.14 of the Revised Code; | 534 535 536 |
| (10) A tax levied under section 1545.20 or 1545.21 of the Revised Code for park district purposes; | 537 538 |
| (11) A tax levied under section 5705.191 of the Revised Code for the purpose of making appropriations for public assistance; human or social services; public relief; public welfare; public health and hospitalization; and support of general hospitals; | 539 540 541 542 543 |
| (12) A tax levied under section 3709.29 of the Revised Code for a general health district program. | 544 545 |
| (13) A tax levied by a township under section 505.39, division (I) of section 5705.19, or division (JJ) of section 5705.19 of the Revised Code to the extent the proceeds are used for the purposes described in division (I) of that section, for the purpose of funding fire, emergency medical, and ambulance services as described in that section and those divisions. Division (F) (13) of this section applies only if the township levying the tax provides fire, emergency medical, or ambulance services in the incentive district, and only to incentive districts created by an ordinance adopted on or after the effective date of the amendment of this section by H.B. 69 of the 132nd general assembly, March 23, 2018. The board of township trustees may, by resolution, waive the application of this division or negotiate with the municipal corporation that created the district for a lesser amount of payments in lieu of taxes. | 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 |
| (G) An exemption from taxation granted under this section | 562 |

commences with the tax year specified in the ordinance so long 563
as the year specified in the ordinance commences after the 564
effective date of the ordinance. If the ordinance specifies a 565
year commencing before the effective date of the resolution or 566
specifies no year whatsoever, the exemption commences with the 567
tax year in which an exempted improvement first appears on the 568
tax list and duplicate of real and public utility property and 569
that commences after the effective date of the ordinance. In 570
lieu of stating a specific year, the ordinance may provide that 571
the exemption commences in the tax year in which the value of an 572
improvement exceeds a specified amount or in which the 573
construction of one or more improvements is completed, provided 574
that such tax year commences after the effective date of the 575
ordinance. With respect to the exemption of improvements to 576
parcels under division (B) of this section, the ordinance may 577
allow for the exemption to commence in different tax years on a 578
parcel-by-parcel basis, with a separate exemption term specified 579
for each parcel. 580

Except as otherwise provided in this division or section 581
5709.51 of the Revised Code, the exemption ends on the date 582
specified in the ordinance as the date the improvement ceases to 583
be a public purpose or the incentive district expires, or ends 584
on the date on which the public infrastructure improvements and 585
housing renovations are paid in full from the municipal public 586
improvement tax increment equivalent fund established under 587
division (A) of section 5709.43 of the Revised Code, whichever 588
occurs first. The exemption of an improvement with respect to a 589
parcel or within an incentive district may end on a later date, 590
as specified in the ordinance, if the legislative authority and 591
the board of education of the city, local, or exempted village 592
school district within which the parcel or district is located 593

have entered into a compensation agreement under section 5709.82 594
of the Revised Code with respect to the improvement, and the 595
board of education has approved the term of the exemption under 596
division (D) (2) of this section, but in no case shall the 597
improvement be exempted from taxation for more than thirty 598
years. Exemptions shall be claimed and allowed in the same 599
manner as in the case of other real property exemptions. If an 600
exemption status changes during a year, the procedure for the 601
apportionment of the taxes for that year is the same as in the 602
case of other changes in tax exemption status during the year. 603

(H) Additional municipal financing of public 604
infrastructure improvements and housing renovations may be 605
provided by any methods that the municipal corporation may 606
otherwise use for financing such improvements or renovations. If 607
the municipal corporation issues bonds or notes to finance the 608
public infrastructure improvements and housing renovations and 609
pledges money from the municipal public improvement tax 610
increment equivalent fund to pay the interest on and principal 611
of the bonds or notes, the bonds or notes are not subject to 612
Chapter 133. of the Revised Code. 613

(I) The municipal corporation, not later than fifteen days 614
after the adoption of an ordinance under this section, shall 615
submit to the director of development a copy of the ordinance. 616
On or before the thirty-first day of March of each year, the 617
municipal corporation shall submit a status report to the 618
director. The report shall indicate, in the manner prescribed by 619
the director, the progress of the project during each year that 620
an exemption remains in effect, including a summary of the 621
receipts from service payments in lieu of taxes; expenditures of 622
money from the funds created under section 5709.43 of the 623
Revised Code; a description of the public infrastructure 624

improvements and housing renovations financed with such 625
expenditures; and a quantitative summary of changes in 626
employment and private investment resulting from each project. 627

(J) Nothing in this section shall be construed to prohibit 628
a legislative authority from declaring to be a public purpose 629
improvements with respect to more than one parcel. 630

(K) If a parcel is located in a new community district in 631
which the new community authority imposes a community 632
development charge on the basis of rentals received from leases 633
of real property as described in division (L) (2) of section 634
349.01 of the Revised Code, the parcel may not be exempted from 635
taxation under this section. 636

(L) (1) Notwithstanding the limitations on the life of an 637
incentive district and the number of years that improvements to 638
a parcel or parcels within an incentive district may be exempted 639
from taxation prescribed by divisions (C) and (D) of this 640
section, the legislative authority of a municipal corporation 641
may amend an ordinance originally adopted under division (C) of 642
this section before January 1, 2006, to extend the life of an 643
incentive district created by that ordinance. The extension 644
shall be for a period not to exceed fifteen years and shall not 645
increase the percentage of the value of improvements exempted 646
from taxation. 647

(2) Before adopting an amendment authorized by division 648
(L) (1) of this section, the legislative authority of the 649
municipal corporation shall provide notice of the amendment to 650
each board of education of the city, local, or exempted village 651
school district in which the incentive district is located, in 652
the same manner as provided under division (D) of this section, 653
and shall obtain the approval of each such board in the manner 654

required under that division, except both of the following 655
apply: 656

(a) The board of education may approve the exemption on 657
the condition that the legislative authority and the board 658
negotiate an agreement providing for mutually agreeable 659
compensation to the school district. 660

(b) If the board of education fails to certify a 661
resolution approving the amendment to the legislative authority 662
within the time prescribed by division (D) of this section, the 663
legislative authority shall not adopt the amendment authorized 664
under division (L) of this section. 665

(3) No approval otherwise required by division (L) (2) of 666
this section shall be required from a board of education if 667
either of the following apply: 668

(a) The amendment provides for compensation to the city, 669
local, or exempted village school district in which the 670
incentive district is located equal in value to the amount of 671
taxes that would be payable to the school district if the 672
improvements exempted from taxation had not been exempted for 673
the additional period. 674

(b) The board of education has adopted a resolution 675
waiving its right to approve exemptions from taxation pursuant 676
to division (D) (4) of this section. If the board has adopted 677
such a resolution, the municipal corporation shall comply with 678
the notice requirements imposed by section 5709.83 of the 679
Revised Code before taking formal action to adopt an amendment 680
authorized under division (L) (1) of this section unless the 681
board has adopted a resolution under that section waiving its 682
right to receive that notice. 683

(4) Not later than fourteen days before adopting an 684
amendment authorized by division (L)(1) of this section, the 685
legislative authority of the municipal corporation shall deliver 686
a notice identical to a notice required under section 5709.83 of 687
the Revised Code to the board of county commissioners of each 688
county in which the incentive district is located. 689

Section 2. That existing section 5709.40 of the Revised 690
Code is hereby repealed. 691

Section 3. The amendment by this act of section 5709.40 of 692
the Revised Code applies to ordinances adopted under division 693
(C) of that section on or after the forty-fifth day after the 694
effective date of this section. 695