

**As Introduced**

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

**S. B. No. 120**

**Senator Schuring**

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**A BILL**

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) The district is a blighted area. 40

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

Code for a general health district program.	506
(13) A tax levied by a township under section 505.39,	507
division (I) of section 5705.19, or division (JJ) of section	508
5705.19 of the Revised Code to the extent the proceeds are used	509
for the purposes described in division (I) of that section, for	510
the purpose of funding fire, emergency medical, and ambulance	511
services as described in that section and those divisions.	512
Division (F) (13) of this section applies only if the township	513
levying the tax provides fire, emergency medical, or ambulance	514
services in the incentive district, and only to incentive	515
districts created by an ordinance adopted on or after the	516
effective date of the amendment of this section by H.B. 69 of	517
the 132nd general assembly, March 23, 2018. The board of	518
township trustees may, by resolution, waive the application of	519
this division or negotiate with the municipal corporation that	520
created the district for a lesser amount of payments in lieu of	521
taxes.	522
(G) An exemption from taxation granted under this section	523
commences with the tax year specified in the ordinance so long	524
as the year specified in the ordinance commences after the	525
effective date of the ordinance. If the ordinance specifies a	526
year commencing before the effective date of the resolution or	527
specifies no year whatsoever, the exemption commences with the	528
tax year in which an exempted improvement first appears on the	529
tax list and duplicate of real and public utility property and	530
that commences after the effective date of the ordinance. In	531
lieu of stating a specific year, the ordinance may provide that	532
the exemption commences in the tax year in which the value of an	533
improvement exceeds a specified amount or in which the	534
construction of one or more improvements is completed, provided	535
that such tax year commences after the effective date of the	536

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1728.01 of the Revised Code. For this purpose, "parcel that is 626  
used or to be used for residential purposes" means a parcel 627  
that, as improved, is used or to be used for purposes that would 628  
cause the tax commissioner to classify the parcel as residential 629  
property in accordance with rules adopted by the commissioner 630  
under section 5713.041 of the Revised Code. 631

If the municipal corporation or township is an electing 632  
subdivision, if a qualifying nonprofit organization operates 633  
exclusively within the municipal corporation or the 634  
unincorporated territory of the township, or if the municipal 635  
corporation has territory in, or the township is in a county 636  
that has established a county land reutilization corporation, 637  
such an ordinance or resolution may designate a portion, not to 638  
exceed ten per cent, of any service payments required under 639  
section 5709.42 or 5709.74 of the Revised Code for the use of 640  
the applicable land reutilization program, organization, or 641  
corporation. 642

(C) Except as otherwise provided in division (C) (1), (2), 643  
or (3) of this section, not more than seventy-five per cent of 644  
an improvement thus declared to be a public purpose may be 645  
exempted from real property taxation. The ordinance or 646  
resolution shall specify the percentage of the improvement to be 647  
exempted from taxation. If a parcel is located in a new 648  
community district in which the new community authority imposes 649  
a community development charge on the basis of rentals received 650  
from leases of real property as described in division (L) (2) of 651  
section 349.01 of the Revised Code, the parcel may not be 652  
exempted from taxation under this section. 653

(1) If the ordinance or resolution declaring improvements 654  
to a parcel to be a public purpose specifies that payments in 655

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

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

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



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

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

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

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

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

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

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

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

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

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

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

public infrastructure improvements and housing renovations. 842

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

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

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

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

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

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

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

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

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

<b>Sec. 5709.73.</b> (A) As used in this section and section	901
5709.74 of the Revised Code:	902
(1) "Business day" means a day of the week excluding	903
Saturday, Sunday, and a legal holiday as defined in section 1.14	904
of the Revised Code.	905
(2) "Further improvements" or "improvements" means the	906
increase in the assessed value of real property that would first	907
appear on the tax list and duplicate of real and public utility	908
property after the effective date of a resolution adopted under	909
this section were it not for the exemption granted by that	910
resolution. For purposes of division (B) of this section,	911
"improvements" do not include any property used or to be used	912
for residential purposes. For this purpose, "property that is	913
used or to be used for residential purposes" means property	914
that, as improved, is used or to be used for purposes that would	915
cause the tax commissioner to classify the property as	916
residential property in accordance with rules adopted by the	917
commissioner under section 5713.041 of the Revised Code.	918
(3) "Housing renovation" means a project carried out for	919
residential purposes.	920
(4) "Incentive district" has the same meaning as in	921
section 5709.40 of the Revised Code, except that a blighted area	922
is in the unincorporated area of a township.	923
(5) "Overlay" has the same meaning as in section 5709.40	924
of the Revised Code, except that the overlay is delineated by	925
the board of township trustees.	926
(6) <del>"Project" and</del> <u>"Project,"</u> "public infrastructure	927
<del>improvement"</del> <u>improvement,"</u> and <u>"qualifying nonprofit</u>	928
<u>organization"</u> have the same meanings as in section 5709.40 of	929

the Revised Code. 930

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

No approval under this division shall be required from a 1477

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

(8) A tax levied under section 511.27 or division (H) of section 5705.19 of the Revised Code for the support of township park districts;	2027 2028 2029
(9) A tax levied under division (A), (F), or (H) of 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;	2030 2031 2032 2033
(10) A tax levied under section 1545.20 or 1545.21 of the Revised Code for park district purposes;	2034 2035
(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;	2036 2037 2038 2039 2040
(12) A tax levied under section 3709.29 of the Revised Code for a general health district program.	2041 2042
(F) An exemption from taxation granted under this section commences with the tax year specified in the resolution so long as the year specified in the resolution commences after the effective date of the resolution. If the resolution specifies a year commencing before the effective date of the resolution or specifies no year whatsoever, the exemption commences with the tax year in which an exempted improvement first appears on the tax list and duplicate of real and public utility property and that commences after the effective date of the resolution. In lieu of stating a specific year, the resolution may provide that the exemption commences in the tax year in which the value of an improvement exceeds a specified amount or in which the construction of one or more improvements is completed, provided	2043 2044 2045 2046 2047 2048 2049 2050 2051 2052 2053 2054 2055

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



the Revised Code.	2177
(2) Money from an account in the redevelopment tax	2178
equivalent fund may be distributed under division (C) (1) (b) of	2179
this section, regardless of the date a resolution was adopted	2180
under section 5709.78 of the Revised Code that prompted the	2181
establishment of the account, even if the resolution was adopted	2182
prior to March 30, 2006.	2183
(D) An account dissolves upon fulfillment of the purposes	2184
for which money in the account may be used. An incidental	2185
surplus remaining in an account upon its dissolution shall be	2186
transferred to the general fund of the county.	2187
<b>Section 2.</b> That existing sections 5709.40, 5709.41,	2188
5709.43, 5709.73, 5709.75, 5709.77, 5709.78, and 5709.80 of the	2189
Revised Code are hereby repealed.	2190