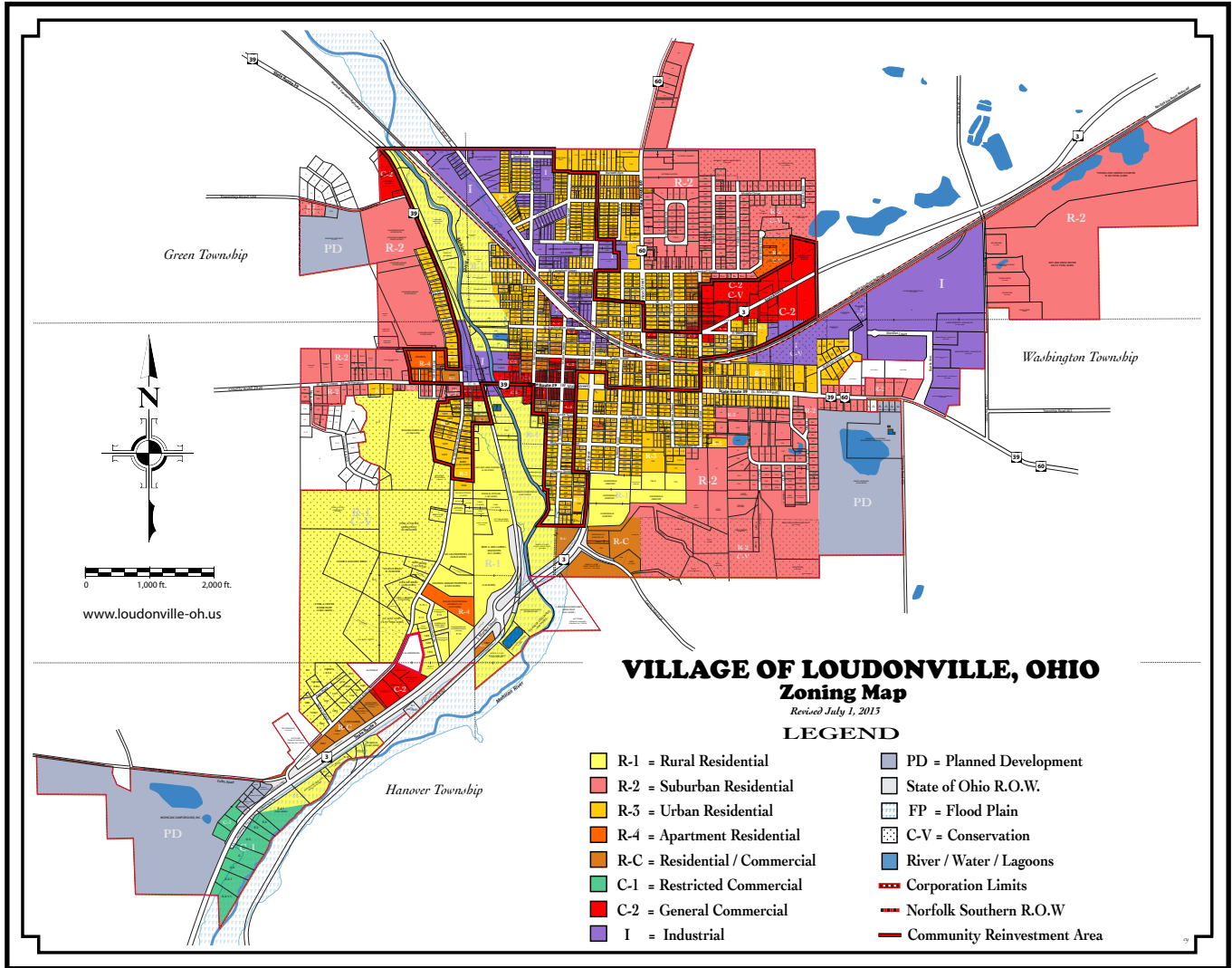


Village of Loudonville, OH



Community Reinvestment Area (CRA) Program Information

Zone No: 075-45066-01

Certified January 28, 2014

Community Reinvestment Area Tax Exemption Program

Establishment / Administration / Application Procedure

(Ohio Revised Code Sections 3735.65 – 3735.70; 5709.82 – 5709.85)

(Ohio Administrative Code Chapter 122:9-1)

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(OHIO REVISED CODE)

3735.65 Community reinvestment area definitions.

As used in sections 3735.65 to [3735.70](#) of the Revised Code:

(A) "Housing officer" means an officer or agency of a municipal corporation or county designated by the legislative authority of the municipal corporation or county, pursuant to section [3735.66](#) of the Revised Code, for each community reinvestment area to administer sections 3735.65 to [3735.69](#) of the Revised Code. One officer or agency may be designated as the housing officer for more than one community reinvestment area.

(B) "Community reinvestment area" means an area within a municipal corporation or unincorporated area of a county for which the legislative authority of the municipal corporation or, for the unincorporated area, of the county, has adopted a resolution under section [3735.66](#) of the Revised Code describing the boundaries of the area and containing a statement of finding that the area included in the description is one in which housing facilities or structures of historical significance are located and new housing construction and repair of existing facilities or structures are discouraged.

(C) "Remodeling" means any change made in a structure for the purpose of making it structurally more sound, more habitable, or for the purpose of improving its appearance.

(D) "Structure of historical or architectural significance" means those designated as such by resolution of the legislative authority of a municipal corporation, for those located in a municipal corporation, or the county, for those located in the unincorporated area of the county based on age, rarity, architectural quality, or because of a previous designation by a historical society, association, or agency.

Effective Date: 11-18-1977

3735.66 Resolution describing boundaries of areas and eligibility for tax exemption.

The legislative authorities of municipal corporations and counties may survey the housing within their jurisdictions and, after the survey, may adopt resolutions describing the boundaries of community reinvestment areas which contain the conditions required for the finding under division (B) of section [3735.65](#) of the Revised Code. The findings resulting from the survey shall be incorporated in the resolution describing the boundaries of an area. The legislative authority may stipulate in the resolution that only new structures or remodeling classified as to use as commercial, industrial, or residential, or some combination thereof, and otherwise satisfying the requirements of section [3735.67](#) of the Revised Code are eligible for exemption from taxation under that section. If the resolution does not include such a stipulation, all new structures and remodeling satisfying the requirements of section [3735.67](#) of the Revised Code are eligible for exemption from taxation regardless of classification. Whether or not the resolution includes such a stipulation, the classification of the structures or remodeling eligible for exemption in the area shall at all times be consistent with zoning restrictions applicable to the area. For the purposes of sections [3735.65](#) to [3735.70](#) of the Revised Code, whether a structure or remodeling composed of multiple units is classified as commercial or residential shall be determined by resolution or ordinance of the legislative authority or, in the absence of such a determination, by the classification of the use of the structure or remodeling under the applicable zoning regulations.

If construction or remodeling classified as residential is eligible for exemption from taxation, the resolution shall specify a percentage, not to exceed one hundred per cent, of the assessed valuation of such property to be exempted. The percentage specified shall apply to all residential construction or remodeling for

which exemption is granted.

The resolution adopted pursuant to this section shall be published in a newspaper of general circulation in the municipal corporation, if the resolution is adopted by the legislative authority of a municipal corporation, or in a newspaper of general circulation in the county, if the resolution is adopted by the legislative authority of the county, once a week for two consecutive weeks or as provided in section [7.16](#) of the Revised Code, immediately following its adoption.

Each legislative authority adopting a resolution pursuant to this section shall designate a housing officer. In addition, each such legislative authority, not later than fifteen days after the adoption of the resolution, shall petition the director of development for the director to confirm the findings described in the resolution. The petition shall be accompanied by a copy of the resolution and by a map of the community reinvestment area in sufficient detail to denote the specific boundaries of the area and to indicate zoning restrictions applicable to the area. The director shall determine whether the findings contained in the resolution are valid, and whether the classification of structures or remodeling eligible for exemption under the resolution is consistent with zoning restrictions applicable to the area as indicated on the map. Within thirty days of receiving the petition, the director shall forward the director's determination to the legislative authority. The legislative authority or housing officer shall not grant any exemption from taxation under section [3735.67](#) of the Revised Code until the director forwards the director's determination to the legislative authority. The director shall assign to each community reinvestment area a unique designation by which the area shall be identified for purposes of sections [3735.65](#) to [3735.70](#) of the Revised Code.

If zoning restrictions in any part of a community reinvestment area are changed at any time after the legislative authority petitions the director under this section, the legislative authority shall

notify the director and shall submit a map of the area indicating the new zoning restrictions in the area.

Amended by 129th General Assembly File No.28, HB 153, §101.01, eff. 9/29/2011.

Effective Date: 09-26-2003

3735.67 Applying for exemption from taxation.

(A) The owner of real property located in a community reinvestment area and eligible for exemption from taxation under a resolution adopted pursuant to section [3735.66](#) of the Revised Code may file an application for an exemption from real property taxation of a percentage of the assessed valuation of a new structure or remodeling, completed after the effective date of the resolution adopted pursuant to section [3735.66](#) of the Revised Code, with the housing officer designated pursuant to section [3735.66](#) of the Revised Code for the community reinvestment area in which the property is located. If any part of the new structure or remodeling that would be exempted is of real property to be used for commercial or industrial purposes, the legislative authority and the owner of the property shall enter into a written agreement pursuant to section [3735.671](#) of the Revised Code prior to commencement of construction or remodeling; if such an agreement is subject to approval by the board of education of the school district within the territory of which the property is or will be located, the agreement shall not be formally approved by the legislative authority until the board of education approves the agreement in the manner prescribed by that section.

(B) The housing officer shall verify the construction of the new structure or the cost of the remodeling and the facts asserted in the application. The housing officer shall determine whether the construction or the cost of the remodeling meets the requirements for an exemption under this section. In cases involving

a structure of historical or architectural significance, the housing officer shall not determine whether the remodeling meets the requirements for a tax exemption unless the appropriateness of the remodeling has been certified, in writing, by the society, association, agency, or legislative authority that has designated the structure or by any organization or person authorized, in writing, by such society, association, agency, or legislative authority to certify the appropriateness of the remodeling.

(C) If the construction or remodeling meets the requirements for exemption, the housing officer shall forward the application to the county auditor with a certification as to the division of this section under which the exemption is granted, and the period and percentage of the exemption as determined by the legislative authority pursuant to that division. If the construction or remodeling is of commercial or industrial property and the legislative authority is not required to certify a copy of a resolution under section [3735.671](#) of the Revised Code, the housing officer shall comply with the notice requirements prescribed under section [5709.83](#) of the Revised Code, unless the board has adopted a resolution under that section waiving its right to receive such a notice.

(D) Except as provided in division (F) of this section, the tax exemption shall first apply in the year the construction or remodeling would first be taxable but for this section. In the case of remodeling that qualifies for exemption, a percentage, not to exceed one hundred per cent, of the amount by which the remodeling increased the assessed value of the structure shall be exempted from real property taxation. In the case of construction of a structure that qualifies for exemption, a percentage, not to exceed one hundred per cent, of the assessed value of the structure shall be exempted from real property taxation. In either case, the percentage shall be the percentage set forth in the agreement if the structure or remodeling is to be used for commercial or industrial purposes, or the percentage set forth in the

resolution describing the community reinvestment area if the structure or remodeling is to be used for residential purposes.

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

(1) For every dwelling containing not more than two family units located within the same community reinvestment area and upon which the cost of remodeling is at least two thousand five hundred dollars, a period to be determined by the legislative authority adopting the resolution describing the community reinvestment area where the dwelling is located, but not exceeding ten years unless extended pursuant to division (D)(3) of this section;

(2) For every dwelling containing more than two units and commercial or industrial properties, located within the same community reinvestment area, upon which the cost of remodeling is at least five thousand dollars, a period to be determined by the legislative authority adopting the resolution, but not exceeding twelve years unless extended pursuant to division (D)(3) of this section;

(3) The period of exemption for a dwelling described in division (D)(1) or (2) of this section may be extended by a legislative authority for up to an additional ten years if the dwelling is a structure of historical or architectural significance, is a certified historic structure that has been subject to federal tax treatment under 26 U.S.C. 47 and 170(h), and units within the structure have been leased to individual tenants for five consecutive years;

(4) Except as provided in division (F) of this section, for construction of every dwelling, and commercial or industrial structure located within the same community reinvestment area, a period to be determined by the legislative authority adopting the resolution, but not exceeding fifteen years.

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

(F) The owner of a dwelling constructed in a community reinvestment area may file an application for an exemption after the year the construction first became subject to taxation. The application shall be processed in accordance with the procedures prescribed under this section and shall be granted if the construction that is the subject of the application otherwise meets the requirements for an exemption under this section. If approved, the exemption sought in the application first applies in the year the application is filed. An exemption approved pursuant to this division continues only for those years remaining in the period described in division (D)(4) of this section. No exemption may be claimed for any year in that period that precedes the year in which the application is filed.

*Effective Date: 09-26-2003; 03-30-2006; 2008 HB562
09-22-2008*

3735.671 Written agreement where commercial or industrial property is to be exempted.

(A) If construction or remodeling of commercial or industrial property is to be exempted from taxation pursuant to section [3735.67](#) of the

Revised Code, the legislative authority and the owner of the property, prior to the commencement of construction or remodeling, shall enter into a written agreement, binding on both parties for a period of time that does not end prior to the end of the period of the exemption, that includes all of the information and statements prescribed by this section. Agreements may include terms not prescribed by this section, but such terms shall in no way derogate from the information and statements prescribed by this section.

(1) Except as otherwise provided in division (A)(2) or (3) of this section, an agreement entered into under this section shall not be approved by the legislative authority unless the board of education of the city, local, or exempted village school district within the territory of which the property is or will be located approves the agreement. For the purpose of obtaining such approval, the legislative authority shall certify a copy of the agreement to the board of education not later than forty-five days prior to approving the agreement, excluding Saturday, Sunday, and a legal holiday as defined in section [1.14](#) of the Revised Code. The board of education, by resolution adopted by a majority of the board, shall approve or disapprove the agreement and certify a copy of the resolution to the legislative authority not later than fourteen days prior to the date stipulated by the legislative authority as the date upon which approval of the agreement is to be formally considered by the legislative authority. The board of education may include in the resolution conditions under which the board would approve the agreement. The legislative authority may approve an agreement at any time after the board of education certifies its resolution approving the agreement to the legislative authority, or, if the board approves the agreement conditionally, at any time after the conditions are agreed to by the board and the legislative authority.

(2) Approval of an agreement by the board of education is not required under division (A)(1) of this section if, for each tax year the real

property is exempted from taxation, the sum of the following quantities, as estimated at or prior to the time the agreement is formally approved by the legislative authority, equals or exceeds fifty per cent of the amount of taxes, as estimated at or prior to that time, that would have been charged and payable that year upon the real property had that property not been exempted from taxation:

(a) The amount of taxes charged and payable on any portion of the assessed valuation of the new structure or remodeling that will not be exempted from taxation under the agreement;

(b) The amount of taxes charged and payable on tangible personal property located on the premises of the new structure or of the structure to be remodeled under the agreement, whether payable by the owner of the structure or by a related member, as defined in section [5733.042](#) of the Revised Code without regard to division (B) of that section.

(c) The amount of any cash payment by the owner of the new structure or structure to be remodeled to the school district, the dollar value, as mutually agreed to by the owner and the board of education, of any property or services provided by the owner of the property to the school district, whether by gift, loan, or otherwise, and any payment by the legislative authority to the school district pursuant to section [5709.82](#) of the Revised Code.

The estimates of quantities used for purposes of division (A)(2) of this section shall be estimated by the legislative authority. The legislative authority shall certify to the board of education that the estimates have been made in good faith. Departures of the actual quantities from the estimates subsequent to approval of the agreement by the board of education do not invalidate the agreement.

(3) If a board of education has adopted a resolution waiving its right to approve agreements and the resolution remains in effect, approval of an agreement by the board is not

required under this division. If a board of education has adopted a resolution allowing a legislative authority to deliver the notice required under this division fewer than forty-five business days prior to the legislative authority's execution of the agreement, the legislative authority shall deliver the notice to the board not later than the number of days prior to such execution as prescribed by the board in its resolution. If a board of education adopts a resolution waiving its right to approve agreements or shortening the notification period, the board shall certify a copy of the resolution to the legislative authority. If the board of education rescinds such a resolution, it shall certify notice of the rescission to the legislative authority.

(B) Each agreement shall include the following information:

(1) The names of all parties to the agreement;

(2) A description of the remodeling or construction, whether or not to be exempted from taxation, including existing or new structure size and cost thereof; the value of machinery, equipment, furniture, and fixtures, including an itemization of the value of machinery, equipment, furniture, and fixtures used at another location in this state prior to the agreement and relocated or to be relocated from that location to the property, and the value of machinery, equipment, furniture, and fixtures at the facility prior to the execution of the agreement; the value of inventory at the property, including an itemization of the value of inventory held at another location in this state prior to the agreement and relocated or to be relocated from that location to the property, and the value of inventory held at the property prior to the execution of the agreement;

(3) The scheduled starting and completion dates of remodeling or construction of real property or of investments made in machinery, equipment, furniture, fixtures, and inventory;

(4) Estimates of the number of employee

positions to be created each year of the agreement and of the number of employee positions retained by the owner due to the remodeling or construction, itemized as to the number of full-time, part-time, permanent, and temporary positions;

(5) Estimates of the dollar amount of payroll attributable to the positions set forth in division (B)(4) of this section, similarly itemized;

(6) The number of employee positions, if any, at the property and at any other location in this state at the time the agreement is executed, itemized as to the number of full-time, part-time, permanent, and temporary positions.

(C) Each agreement shall set forth the following information and incorporate the following statements:

(1) A description of real property to be exempted from taxation under the agreement, the percentage of the assessed valuation of the real property exempted from taxation, and the period for which the exemption is granted, accompanied by the statement: "The exemption commences the first year for which the real property would first be taxable were that property not exempted from taxation. No exemption shall commence after (insert date) nor extend beyond (insert date)."

(2) "..... (insert name of owner) shall pay such real property taxes as are not exempted under this agreement and are charged against such property and shall file all tax reports and returns as required by law. If (insert name of owner) fails to pay such taxes or file such returns and reports, exemptions from taxation granted under this agreement are rescinded beginning with the year for which such taxes are charged or such reports or returns are required to be filed and thereafter."

(3) "..... (insert name of owner) hereby certifies that at the time this agreement is executed, (insert name of owner) does not owe any delinquent real or tangible personal

property taxes to any taxing authority of the State of Ohio, and does not owe delinquent taxes for which (insert name of owner) is liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., or 5753. of the Ohio Revised Code, or, if such delinquent taxes are owed, (insert name of owner) currently is paying the delinquent taxes pursuant to an undertaking enforceable by the State of Ohio or an agent or instrumentality thereof, has filed a petition in bankruptcy under 11 U.S.C.A. 101, et seq., or such a petition has been filed against (insert name of owner). For the purposes of this certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Revised Code governing payment of those taxes."

(4) "..... (insert name of municipal corporation or county) shall perform such acts as are reasonably necessary or appropriate to effect, claim, reserve, and maintain exemptions from taxation granted under this agreement including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemptions."

(5) "If for any reason (insert name of municipal corporation or county) revokes the designation of the area, entitlements granted under this agreement shall continue for the number of years specified under this agreement, unless (insert name of owner) materially fails to fulfill its obligations under this agreement and (insert name of municipal corporation or county) terminates or modifies the exemptions from taxation pursuant to this agreement."

(6) "If (insert name of owner) materially fails to fulfill its obligations under this agreement, or if (insert name of municipal corporation or county) determines that the certification as to delinquent taxes required by this agreement is fraudulent, (insert name of municipal corporation or county) may terminate or modify the

exemptions from taxation granted under this agreement."

(7) "..... (insert name of owner) shall provide to the proper tax incentive review council any information reasonably required by the council to evaluate the applicant's compliance with the agreement, including returns filed pursuant to section [5711.02](#) of the Ohio Revised Code if requested by the council."

(8) "This agreement is not transferable or assignable without the express, written approval of (insert name of municipal corporation or county)."

(9) "Exemptions from taxation granted under this agreement shall be revoked if it is determined that (insert name of owner), any successor to that person, or any related member (as those terms are defined in division (E) of section 3735.671 of the Ohio Revised Code) has violated the prohibition against entering into this agreement under division (E) of section 3735.671 or section [5709.62](#) or [5709.63](#) of the Ohio Revised Code prior to the time prescribed by that division or either of those sections."

(10) "..... (insert name of owner) and (insert name of municipal corporation or county) acknowledge that this agreement must be approved by formal action of the legislative authority of (insert name of municipal corporation or county) as a condition for the agreement to take effect. This agreement takes effect upon such approval."

The statement described in division (C)(6) of this section may include the following statement, appended at the end of the statement: ", and may require the repayment of the amount of taxes that would have been payable had the property not been exempted from taxation under this agreement." If the agreement includes a statement requiring repayment of exempted taxes, it also may authorize the legislative authority to secure repayment of such taxes by a lien on the exempted property in the amount

required to be repaid. Such a lien shall attach, and may be perfected, collected, and enforced, in the same manner as a mortgage lien on real property, and shall otherwise have the same force and effect as a mortgage lien on real property.

(D) Except as otherwise provided in this division, an agreement entered into under this section shall require that the owner pay an annual fee equal to the greater of one per cent of the amount of taxes exempted under the agreement or five hundred dollars; provided, however, that if the value of the incentives exceeds two hundred fifty thousand dollars, the fee shall not exceed two thousand five hundred dollars. The fee shall be payable to the legislative authority once per year for each year the agreement is effective on the days and in the form specified in the agreement. Fees paid shall be deposited in a special fund created for such purpose by the legislative authority and shall be used by the legislative authority exclusively for the purpose of complying with section [3735.672](#) of the Revised Code and by the tax incentive review council created under section [5709.85](#) of the Revised Code exclusively for the purposes of performing the duties prescribed under that section. The legislative authority may waive or reduce the amount of the fee, but such waiver or reduction does not affect the obligations of the legislative authority or the tax incentive review council to comply with section [3735.672](#) or [5709.85](#) of the Revised Code.

(E) If any person that is party to an agreement granting an exemption from taxation discontinues operations at the structure to which that exemption applies prior to the expiration of the term of the agreement, that person, any successor to that person, and any related member shall not enter into an agreement under this section or section [5709.62](#), [5709.63](#), or [5709.632](#) of the Revised Code, and no legislative authority shall enter into such an agreement with such a person, successor, or related member, prior to the expiration of five years after the discontinuation of operations. As used in this division, "successor" means a

person to which the assets or equity of another person has been transferred, which transfer resulted in the full or partial nonrecognition of gain or loss, or resulted in a carryover basis, both as determined by rule adopted by the tax commissioner. "Related member" has the same meaning as defined in section [5733.042](#) of the Revised Code without regard to division (B) of that section.

The director of development shall review all agreements submitted to the director under division (F) of this section for the purpose of enforcing this division. If the director determines there has been a violation of this division, the director shall notify the legislative authority of such violation, and the legislative authority immediately shall revoke the exemption granted under the agreement.

(F) When an agreement is entered into under this section, the legislative authority authorizing the agreement shall forward a copy of the agreement to the director of development within fifteen days after the agreement is entered into.

Effective Date: 09-26-2003; 03-23-2005

3735.672 Annual report.

(A) On or before the thirty-first day of March each year, a legislative authority that has entered into an agreement with a party under section [3735.671](#) of the Revised Code shall submit to the director of development services and the board of education of each school district of which a municipal corporation or township to which such an agreement applies is a part a report on all such agreements in effect during the preceding calendar year. The report shall include the following information:

(1) The designation, assigned by the director of development services, of each community reinvestment area within the municipal corporation or county, and the total population of each area according to the most recent data available;

(2) The number of agreements and the number of full-time employees subject to those agreements within each area, each according to the most recent data available and identified and categorized by the appropriate standard industrial code, and the rate of unemployment in the municipal corporation or county in which the area is located for each year since the area was certified;

(3) The number of agreements approved and executed during the calendar year for which the report is submitted, the total number of agreements in effect on the thirty-first day of December of the preceding calendar year, the number of agreements that expired during the calendar year for which the report is submitted, and the number of agreements scheduled to expire during the calendar year in which the report is submitted. For each agreement that expired during the calendar year for which the report is submitted, the legislative authority shall include the amount of taxes exempted under the agreement.

(4) The number of agreements receiving compliance reviews by the tax incentive review council in the municipal corporation or county during the calendar year for which the report is submitted, including all of the following information:

(a) The number of agreements the terms of which the party has complied with, indicating separately for each such agreement the value of the real property exempted pursuant to the agreement and a comparison of the stipulated and actual schedules for hiring new employees, for retaining existing employees, and for the amount of payroll of the party attributable to these employees;

(b) The number of agreements the terms of which a party has failed to comply with, indicating separately for each such agreement the value of the real and personal property exempted pursuant to the agreement and a comparison of the stipulated and actual schedules for hiring new employees, for

retaining existing employees, and for the amount of payroll of the enterprise attributable to these employees;

(c) The number of agreements about which the tax incentive review council made recommendations to the legislative authority, and the number of such recommendations that have not been followed;

(d) The number of agreements rescinded during the calendar year for which the report is submitted.

(5) The number of parties subject to agreements that expanded within each area, including the number of new employees hired and existing employees retained by that party, and the number of new parties subject to agreements that established within each area, including the number of new employees hired by each party;

(6) For each agreement in effect during any part of the preceding year, the number of employees employed by the party at the property that is the subject of the agreement immediately prior to formal approval of the agreement, the number of employees employed by the party at that property on the thirty-first day of December of the preceding year, the payroll of the party for the preceding year, the amount of taxes paid on real property that was exempted under the agreement, and the amount of such taxes that were not paid because of the exemption.

(B) Upon the failure of a municipal corporation or county to comply with division (A) of this section:

(1) Beginning on the first day of April of the calendar year in which the municipal corporation or county fails to comply with that division, the municipal corporation or county shall not enter into any agreements under section [3735.671](#) of the Revised Code until the municipal corporation or county has complied with division (A) of this section.

(2) On the first day of each ensuing calendar

month until the municipal corporation or county complies with that division, the director of development services shall either order the proper county auditor to deduct from the next succeeding payment of taxes to the municipal corporation or county under section [321.31](#), [321.32](#), [321.33](#), or [321.34](#) of the Revised Code an amount equal to five hundred dollars for each calendar month the municipal corporation or county fails to comply with that division, or order the county auditor to deduct such an amount from the next succeeding payment to the municipal corporation or county from the undivided local government fund under section [5747.51](#) of the Revised Code. At the time such a payment is made, the county auditor shall comply with the director's order by issuing a warrant, drawn on the fund from which such money would have been paid, to the director of development services, who shall deposit the warrant into the state community reinvestment area program administration fund created in division (C) of this section.

(C) The director, by rule, shall establish the state's application fee for applications submitted to a municipal corporation or county to enter into an agreement under section [3735.671](#) of the Revised Code. In establishing the amount of the fee, the director shall consider the state's cost of administering the community reinvestment area program, including the cost of reviewing the reports required under division (A) of this section. The director may change the amount of the fee at such times and in such increments as the director considers necessary. Any municipal corporation or county that receives an application shall collect the application fee and remit the fee for deposit in the state treasury to the credit of the business assistance fund created in section [122.174](#) of the Revised Code.

Amended by 129th General Assembly File No.129,SB 314, §1, eff. 9/28/2012.

Effective Date: 07-22-1994; 2007 HB119 06-30-2007

3735.673 Notice to legislative authority.

If a person operating in a county or municipal corporation in this state intends to relocate or relocates part or all of its operations to another county or municipal corporation in this state and has entered into or intends to enter into an agreement under section [3735.671](#) of the Revised Code with that county or municipal corporation, the legislative authority or an officer of the county or municipal corporation to which that person intends to relocate or relocates shall serve the legislative authority of the county or municipal corporation from which that person intends to relocate or relocates with notice of the person's intention to relocate, accompanied by a copy of the agreement to be entered into or entered into pursuant to section [3735.671](#) of the Revised Code and a statement of the person's reasons for relocation. The legislative authority or officer also shall serve such notice on the director of development. In both cases, service shall be by personal service or certified mail, return receipt requested, not later than thirty days prior to the day of the first public meeting at which the agreement is deliberated by the legislative authority of the county or municipal corporation to which the person intends to relocate or relocates. With the approval of the director of development, service shall be not later than fifteen days prior to the day of the first public meeting of the legislative authority at which the agreement is deliberated. The legislative authority or officer required to serve notice shall seek such approval by applying to the director at the earliest possible time prior to that meeting. The director may approve the later service if the director determines that earlier notice is not possible or would be likely to jeopardize realization of the project. If approval for a later notice is applied for, the legislative authority or officer need not serve notice to the director as otherwise required by this section.

If the legislative authority or officer required to serve such notice fails to do so as prescribed by this section, the legislative authority shall not enter into an agreement under that section with

that person.

This section applies only to relocations of operations that result or would result in the reduction of employment or the cessation of operations at a place of business in this state.

Effective Date: 07-22-1994

3735.68 Revoking tax exemption.

The housing officer shall make annual inspections of the properties within the community reinvestment area upon which are located structures or remodeling for which an exemption has been granted under section [3735.67](#) of the Revised Code. If the housing officer finds that the property has not been properly maintained or repaired due to the neglect of the owner, the housing officer may revoke the exemption at any time after the first year of exemption. If the owner of commercial or industrial property exempted from taxation under section [3735.67](#) of the Revised Code has materially failed to fulfill its obligations under the written agreement entered into under section [3735.671](#) of the Revised Code, or if the owner is determined to have violated division (E) of that section, the legislative authority, subject to the terms of the agreement, may revoke the exemption at any time after the first year of exemption. The housing officer or legislative authority shall notify the county auditor and the owner of the property that the tax exemption no longer applies. If the housing officer or legislative authority revokes a tax exemption, the housing officer shall send a report of the revocation to the community reinvestment area housing council and to the tax incentive review council established pursuant to section [3735.69](#) or [5709.85](#) of the Revised Code, containing a statement of the findings as to the maintenance and repair of the property, failure to fulfill obligations under the written agreement, or violation of division (E) of section [3735.671](#) of the Revised Code, and the reason for revoking the exemption.

If the agreement entered into under section [3735.671](#) of the Revised Code so provides, the legislative authority of a municipal corporation or county may require the owner of property whose exemption has been revoked to reimburse the taxing authorities within whose taxing jurisdiction the exempted property is located for the amount of real property taxes that would have been payable to those authorities had the property not been exempted from taxation.

Effective Date: 07-22-1994

3735.69 Community reinvestment area housing council - powers and duties.

(A) A community reinvestment area housing council shall be appointed for each community reinvestment area. When the area is located within a municipal corporation, the council shall be composed of two members appointed by the mayor of the municipal corporation, two members appointed by the legislative authority of the municipal corporation, and one member appointed by the planning commission of the municipal corporation. The majority of the foregoing members shall then appoint two additional members who shall be residents of the political subdivision. When the area is located within an unincorporated area of a county, the council shall be composed of one member appointed by each member of the board of county commissioners of the county where the area is located and two members appointed by the county planning commission. The majority of the foregoing members shall then appoint two additional members who shall be residents of the political subdivision. Terms of the members of the council shall be for three years. An unexpired term resulting from a vacancy in the council shall be filled in the same manner as the initial appointment was made.

The council shall make an annual inspection of the properties within the community reinvestment area for which an exemption has been granted under section [3735.67](#) of the Revised Code. The council shall also hear

appeals under section [3735.70](#) of the Revised Code.

(B) On or before the thirty-first day of March each year, any municipal corporation or county that has created a community reinvestment area under section [3735.66](#) of the Revised Code shall submit to the director of development a status report summarizing the activities and projects for which an exemption has been granted in that area.

Effective Date: 01-13-1993

3735.70 Appeals.

Any person aggrieved under sections [3735.65](#) to [3735.69](#) of the Revised Code may appeal to the community reinvestment area housing council, which shall have the authority to overrule any decision of a housing officer. Appeals may be taken from a decision of the council to the court of common pleas of the county where the area is located.

Effective Date: 11-18-1977

5709.82 Compensating school district for revenues lost due to tax exemptions.

(A) As used in this section:

(1) "New employee" means both of the following:

(a) Persons employed in the construction of real property exempted from taxation under the chapters or sections of the Revised Code enumerated in division (B) of this section;

(b) Persons not described by division (A)(1)(a) of this section who are first employed at the site of such property and who within the two previous years have not been subject, prior to being employed at that site, to income taxation by the municipal corporation within whose territory the site is located on income derived

from employment for the person's current employer. "New employee" does not include any person who replaces a person who is not a new employee under division (A)(1) of this section.

(2) "Infrastructure costs" means costs incurred by a municipal corporation in a calendar year to acquire, construct, reconstruct, improve, plan, or equip real or tangible personal property that directly benefits or will directly benefit the exempted property. If the municipal corporation finances the acquisition, construction, reconstruction, improvement, planning, or equipping of real or tangible personal property that directly benefits the exempted property by issuing debt, "infrastructure costs" means the annual debt charges incurred by the municipal corporation from the issuance of such debt. Real or tangible personal property directly benefits exempted property only if the exempted property places or will place direct, additional demand on the real or tangible personal property for which such costs were or will be incurred.

(3) "Taxing unit" has the same meaning as in division (H) of section [5705.01](#) of the Revised Code.

(B)

(1) Except as otherwise provided under division (C) of this section, the legislative authority of any political subdivision that has acted under the authority of Chapter 725. or 1728., sections [3735.65](#) to [3735.70](#) , or section [5709.40](#) , [5709.41](#) , [5709.62](#) , [5709.63](#) , [5709.632](#) , [5709.73](#) , [5709.78](#) , [5709.84](#) , or [5709.88](#) of the Revised Code to grant an exemption from taxation for real or tangible personal property may negotiate with the board of education of each city, local, exempted village, or joint vocational school district or other taxing unit within the territory of which the exempted property is located, and enter into an agreement whereby the school district or taxing unit is compensated for tax revenue foregone by the school district or taxing unit as a result of the exemption. Except as otherwise provided in

division (B)(1) of this section, if a political subdivision enters into more than one agreement under this section with respect to a tax exemption, the political subdivision shall provide to each school district or taxing unit with which it contracts the same percentage of tax revenue foregone by the school district or taxing unit, which may be based on a good faith projection made at the time the exemption is granted. Such percentage shall be calculated on the basis of amounts paid by the political subdivision and any amounts paid by an owner under division (B)(2) of this section. A political subdivision may provide a school district or other taxing unit with a smaller percentage of foregone tax revenue than that provided to other school districts or taxing units only if the school district or taxing unit expressly consents in the agreement to receiving a smaller percentage. If a subdivision has acted under the authority of section [5709.40](#) , [5709.41](#) , [5709.73](#) , or [5709.78](#) of the Revised Code and enters into a compensation agreement with a city, local, or exempted village school district, the subdivision shall provide compensation to the joint vocational school district within the territory of which the exempted property is located at the same rate and under the same terms as received by the city, local, or exempted village school district.

(2) An owner of property exempted from taxation under the authority described in division (B)(1) of this section may, by becoming a party to an agreement described in division (B)(1) of this section or by entering into a separate agreement with a school district or other taxing unit, agree to compensate the school district or taxing unit by paying cash or by providing property or services by gift, loan, or otherwise. If the owner's property is exempted under the authority of section [5709.40](#) , [5709.41](#) , [5709.73](#) , or [5709.78](#) of the Revised Code and the owner enters into a compensation agreement with a city, local, or exempted village school district, the owner shall provide compensation to the joint vocational school district within the territory of which the owner's property is located at the same rate and under

the same terms as received by the city, local, or exempted village school district.

(C) This division does not apply to the following:

(1) The legislative authority of a municipal corporation that has acted under the authority of division (H) of section [715.70](#) or section [715.81](#) of the Revised Code to consent to the granting of an exemption from taxation for real or tangible personal property in a joint economic development district.

(2) The legislative authority of a municipal corporation that has specified in an ordinance adopted under section [5709.40](#) or [5709.41](#) of the Revised Code that payments in lieu of taxes provided for under section [5709.42](#) of the Revised Code shall be paid to the city, local, or exempted village school district in which the improvements are located in the amount of taxes that would have been payable to the school district if the improvements had not been exempted from taxation, as directed in the ordinance.

If the legislative authority of any municipal corporation has acted under the authority of Chapter 725. or 1728. or section [3735.671](#) , [5709.40](#) , [5709.41](#) , [5709.62](#) , [5709.63](#) , [5709.632](#) , or [5709.88](#) , or a housing officer under section [3735.67](#) of the Revised Code, to grant or consent to the granting of an exemption from taxation for real or tangible personal property on or after July 1, 1994, the municipal corporation imposes a tax on incomes, and the payroll of new employees resulting from the exercise of that authority equals or exceeds one million dollars in any tax year for which such property is exempted, the legislative authority and the board of education of each city, local, or exempted village school district within the territory of which the exempted property is located shall attempt to negotiate an agreement providing for compensation to the school district for all or a portion of the tax revenue the school district would have received had the property not been exempted from taxation. The

agreement may include as a party the owner of the property exempted or to be exempted from taxation and may include provisions obligating the owner to compensate the school district by paying cash or providing property or services by gift, loan, or otherwise. Such an obligation is enforceable by the board of education of the school district pursuant to the terms of the agreement.

If the legislative authority and board of education fail to negotiate an agreement that is mutually acceptable within six months of formal approval by the legislative authority of the instrument granting the exemption, the legislative authority shall compensate the school district in the amount and manner prescribed by division (D) of this section.

(D) Annually, the legislative authority of a municipal corporation subject to this division shall pay to the city, local, or exempted village school district within the territory of which the exempted property is located an amount equal to fifty per cent of the difference between the amount of taxes levied and collected by the municipal corporation on the incomes of new employees in the calendar year ending on the day the payment is required to be made, and the amount of any infrastructure costs incurred in that calendar year. For purposes of such computation, the amount of infrastructure costs shall not exceed thirty-five per cent of the amount of those taxes unless the board of education of the school district, by resolution adopted by a majority of the board, approves an amount in excess of that percentage. If the amount of those taxes or infrastructure costs must be estimated at the time the payment is made, payments in subsequent years shall be adjusted to compensate for any departure of those estimates from the actual amount of those taxes.

A municipal corporation required to make a payment under this section shall make the payment from its general fund or a special fund established for the purpose. The payment is payable on the thirty-first day of December of

the tax year for or in which the exemption from taxation commences and on that day for each subsequent tax year property is exempted and the legislative authority and board fail to negotiate an acceptable agreement under division (C) of this section.

Amended by 129th General Assembly File No.28,HB 153, §101.01, eff. 9/29/2011.

Effective Date: 02-12-2004

5709.83 Notifying school district of proposed tax exemption.

(A) Except as otherwise provided in division (B) or (C) of this section, prior to taking formal action to adopt or enter into any instrument granting a tax exemption under section [725.02](#) , [1728.06](#) , [5709.40](#) , [5709.41](#) , [5709.62](#) , [5709.63](#) , [5709.632](#) , [5709.73](#) , [5709.78](#) , [5709.84](#) , or [5709.88](#) of the Revised Code or formally approving an agreement under section [3735.671](#) of the Revised Code, or prior to forwarding an application for a tax exemption for residential property under section [3735.67](#) of the Revised Code to the county auditor, the legislative authority of the political subdivision or housing officer shall notify the board of education of each city, local, exempted village, or joint vocational school district in which the proposed tax-exempted property is located. The notice shall include a copy of the instrument or application. The notice shall be delivered not later than fourteen days prior to the day the legislative authority takes formal action to adopt or enter into the instrument, or not later than fourteen days prior to the day the housing officer forwards the application to the county auditor. If the board of education comments on the instrument or application to the legislative authority or housing officer, the legislative authority or housing officer shall consider the comments. If the board of education of the city, local, exempted village, or joint vocational school district so requests, the legislative authority or the housing officer shall meet in person with a representative designated by the

board of education to discuss the terms of the instrument or application.

(B) The notice otherwise required to be provided to boards of education under division (A) of this section is not required if the board has adopted a resolution waiving its right to receive such notices, and that resolution remains in effect. If a board of education adopts such a resolution, the board shall cause a copy of the resolution to be certified to the legislative authority. If the board of education rescinds such a resolution, it shall certify notice of the rescission to the legislative authority. A board of education may adopt such a resolution with respect to any one or more counties, townships, or municipal corporations situated in whole or in part within the school district.

(C) If a legislative authority is required to provide notice to a city, local, or exempted village school district of its intent to grant such an exemption as required by section [5709.40](#) , [5709.41](#) , [5709.73](#) , or [5709.78](#) of the Revised Code, the legislative authority, before adopting a resolution or ordinance under that section, shall notify the board of education of each joint vocational school district in which the property to be exempted is located using the same time requirements for the notice that applies to notices to city, local, and exempted village school districts. The content of the notice and procedures for responding to the notice are the same as required in division (A) of this section.

Amended by 129th General Assembly File No.128,SB 316, §101.01, eff. 9/24/2012.

Amended by 129th General Assembly File No.28,HB 153, §101.01, eff. 9/29/2011.

Effective Date: 09-29-1999

5709.85 Tax incentive review council.

(A) The legislative authority of a county, township, or municipal corporation that grants an exemption from taxation under Chapter 725. or 1728. or under section [3735.67](#) , [5709.28](#) ,

[5709.40](#) , [5709.41](#) , [5709.62](#) , [5709.63](#) , [5709.632](#) , [5709.73](#) , or [5709.78](#) of the Revised Code shall create a tax incentive review council.

The council shall consist of the following members:

(1) In the case of a municipal corporation eligible to designate a zone under section [5709.62](#) of the Revised Code, the chief executive officer or that officer's designee; a member of the legislative authority of the municipal corporation, appointed by the president of the legislative authority or, if the chief executive officer of the municipal corporation is the president, appointed by the president pro tempore of the legislative authority; the county auditor or the county auditor's designee; the chief financial officer of the municipal corporation or that officer's designee; an individual appointed by the board of education of each city, local, exempted village, and joint vocational school district to which the instrument granting the exemption applies; and two members of the public appointed by the chief executive officer of the municipal corporation with the concurrence of the legislative authority. At least four members of the council shall be residents of the municipal corporation, and at least one of the two public members appointed by the chief executive officer shall be a minority. As used in division (A)(1) of this section, a "minority" is an individual who is African-American, Hispanic, or Native American.

(2) In the case of a county or a municipal corporation that is not eligible to designate a zone under section [5709.62](#) or [5709.632](#) of the Revised Code, three members appointed by the board of county commissioners; two members from each municipal corporation to which the instrument granting the tax exemption applies, appointed by the chief executive officer with the concurrence of the legislative authority of the respective municipal corporations; two members of each township to which the instrument granting the tax exemption applies, appointed by the board of township trustees of the

respective townships; the county auditor or the county auditor's designee; and an individual appointed by the board of education of each city, local, exempted village, and joint vocational school district to which the instrument granting the tax exemption applies. At least two members of the council shall be residents of the municipal corporations or townships to which the instrument granting the tax exemption applies.

(3) In the case of a township in which improvements are declared a public purpose under section [5709.73](#) of the Revised Code, the board of township trustees; the county auditor or the county auditor's designee; and an individual appointed by the board of education of each city, local, exempted village, and joint vocational school district to which the instrument granting the exemption applies.

(B) The county auditor or the county auditor's designee shall serve as the chairperson of the council. The council shall meet at the call of the chairperson. At the first meeting of the council, the council shall select a vice-chairperson. Attendance by a majority of the members of the council constitutes a quorum to conduct the business of the council.

(C)

(1) Annually, the tax incentive review council shall review all agreements granting exemptions from property taxation under Chapter 725. or 1728. or under section [3735.671](#) , [5709.28](#) , [5709.62](#) , [5709.63](#) , or [5709.632](#) of the Revised Code, and any performance or audit reports required to be submitted pursuant to those agreements. The review shall include agreements granting such exemptions that were entered into prior to July 22, 1994, that continue to be in force and applicable to the current year's property taxes.

With respect to each agreement, other than an agreement entered into under section [5709.28](#) of the Revised Code, the council shall determine whether the owner of the exempted property has

complied with the agreement, and may take into consideration any fluctuations in the business cycle unique to the owner's business.

With respect to an agreement entered into under section [5709.28](#) of the Revised Code, the council shall consist of the members described in division (A)(2) of this section and shall determine whether the agreement complies with the requirements of section [5709.28](#) of the Revised Code and whether a withdrawal, removal, or conversion of land from an agricultural security area established under Chapter 931. of the Revised Code has occurred in a manner that makes the exempted property no longer eligible for the exemption.

On the basis of the determinations, on or before the first day of September of each year, the council shall submit to the legislative authority written recommendations for continuation, modification, or cancellation of each agreement.

(2) Annually, the tax incentive review council shall review all exemptions from property taxation resulting from the declaration of public purpose improvements pursuant to section [5709.40](#) , [5709.41](#) , [5709.73](#) , or [5709.78](#) of the Revised Code. The review shall include such exemptions that were granted prior to July 22, 1994, that continue to be in force and applicable to the current year's property taxes. With respect to each improvement for which an exemption is granted, the council shall determine the increase in the true value of parcels of real property on which improvements have been undertaken as a result of the exemption; the value of improvements exempted from taxation as a result of the exemption; and the number of new employees or employees retained on the site of the improvement as a result of the exemption.

Upon the request of a tax incentive review council, the county auditor, the housing officer appointed pursuant to section [3735.66](#) of the Revised Code, the owner of a new or remodeled structure or improvement, and the legislative authority of the county, township, or municipal corporation granting the exemption shall supply the council with any information reasonably necessary for the council to make the

determinations required under division (C) of this section, including returns or reports filed pursuant to sections [5711.02](#) , [5711.13](#) , and [5727.08](#) of the Revised Code.

(D) Annually, the tax incentive review council shall review the compliance of each recipient of a tax exemption under Chapter 725. or 1728. or section [3735.67](#) , [5709.40](#) , [5709.41](#) , [5709.62](#) , [5709.63](#) , [5709.632](#) , [5709.73](#) , or [5709.78](#) of the Revised Code with the nondiscriminatory hiring policies developed by the county, township, or municipal corporation under section [5709.832](#) of the Revised Code. Upon the request of the council, the recipient shall provide the council any information necessary to perform its review. On the basis of its review, the council may submit to the legislative authority written recommendations for enhancing compliance with the nondiscriminatory hiring policies.

(E) A legislative authority that receives from a tax incentive review council written recommendations under division (C)(1) or (D) of this section shall, within sixty days after receipt, hold a meeting and vote to accept, reject, or modify all or any portion of the recommendations.

(F) A tax incentive review council may request from the recipient of a tax exemption under Chapter 725. or 1728. or section [3735.67](#) , [5709.28](#) , [5709.40](#) , [5709.41](#) , [5709.62](#) , [5709.63](#) , [5709.632](#) , [5709.73](#) , or [5709.78](#) of the Revised Code any information reasonably necessary for the council to perform its review under this section. The request shall be in writing and shall be sent to the recipient by certified mail. Within ten days after receipt of the request, the recipient shall provide to the council the information requested.

Effective Date: 03-11-2004; 05-18-2005

(OHIO ADMINISTRATIVE CODE)

Chapter 122:9-1 Tax Exemption Fee

122:9-1-01 Community reinvestment area tax exemption fee.

(A) The state's application fee for applications submitted to a municipal corporation or county to enter into an agreement under section 3735.671 of the Revised Code shall be seven hundred fifty dollars.

(B) Payment shall be in the form of a check or money order made payable to the Ohio department of development by the owner of the property or an authorized designee of the property owner.

(C) Payment shall be collected by the municipal corporation or county at the time of application and shall be forwarded to the Ohio department of development with the executed agreement by the municipal corporation or county.

(D) If the application does not result in the entering of an agreement, then the fee shall be refunded to the applicant by the municipal corporation or county. Otherwise, such fee shall be non-refundable.

(E) The director of development shall notify the tax commissioner to withhold the approval of all tax exemptions pertaining to an agreement which has not met the community reinvestment area tax exemption fee requirements set forth above.

R.C. 119.032 review dates: 06/23/2005 and 06/23/2010

Promulgated Under: 119.03

Statutory Authority: RC 3735.671(C)

Rule Amplifies: RC 3735.672(C)

Prior Effective Dates: 10/16/1994, 1/27/2003

122:9-1-02 Relocation provisions.

(A) "Relocation" is defined as the transfer by a business entity of employment positions or taxable personal tangible property assets from one Ohio political subdivision to another. This includes the transfer of employment positions or taxable personal tangible property assets from one unincorporated township to another township within the same county.

A project that transfers employment positions within an Ohio political subdivision to a site within another Ohio jurisdiction, but the business has committed to and does backfill the employment positions during the proposal's hiring period or three years, whichever is shorter, is not considered a relocation. Likewise, a project that transfers taxable personal tangible property assets from a facility within an Ohio political subdivision to a site in another Ohio jurisdiction, but the business has committed to and does install replacement assets of equal or greater value and of compatible type is not a relocation.

The transfer of employment positions or taxable personal tangible property assets within the same municipality or unincorporated township jurisdiction is not a relocation.

(B) A business entity that relocates all or a portion of its operations from one Ohio jurisdiction to another location without community reinvestment area program assistance, then requests such incentives for an unrelated expansion project at the second site that does not involve the transfer of additional current employment positions or taxable assets from another Ohio jurisdiction is not a relocation if the proposal occurs at least one year after the completion of the first unassisted relocation.

(C) A business entity's operations that are determined to be "temporary in nature" will not be considered subject to the relocation notice restrictions of the community reinvestment area

program. A determination that an operation is "temporary in nature" can be supported by, but is not limited to, the documentation of site control arrangements of recent and short term nature, a relocation forced by acts of god such as tornadoes or fires to a facility inadequate for the operation's current and future needs and the use of public warehouse space where the local jurisdiction does not derive an entitlement interest in the value of taxable assets or income generated from employees of the operation.

Rule Amplifies: RC 3735.67 , 3735.671 , 3735.672 , 3735.673

Prior Effective Dates: 10/5/2000

(D) Net increase in employment shall be calculated by verifying the total employment of the business entity's operations affected by the proposed project including any such facility in which positions will be transferred without replacement. This base employment number will be set at the time prior to the agreement. The base will be subtracted from the total employment number at the specified time of the information, for the purposes of the annual report, December thirty-first of the specific year. Positions lost to attrition will not be discounted as part of this process. Unless otherwise stated in the community reinvestment area agreement, only those employees actually employed by the designated business will be considered. Each employment position will be designated as either full-time permanent, part-time permanent, full-time temporary or part-time temporary.

(E) As used in section 3735.673 of the Revised Code, application for late service by a legislative authority of a municipality or county to an affected municipality or county of a proposed relocation shall be made in writing to the director of development and shall contain sufficient information for the director to determine whether or not earlier service is not possible or whether the realization of the project is in jeopardy because of the required thirty-day notice period.

R.C. 119.032 review dates: 06/23/2005 and 06/23/2010

Promulgated Under: 119.03

Statutory Authority: RC 5709.671