

I_133_1591-4

133rd General Assembly
Regular Session
2019-2020

Sub. S. B. No. 212

A BILL

To enact section 5709.58 of the Revised Code to
authorize townships and municipal corporations
to designate areas within which new homes and
improvements to existing homes are wholly or
partially exempted from property taxation.

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

Section 1. That section 5709.58 of the Revised Code be
enacted to read as follows:

Sec. 5709.58. (A) As used in this section:

(1) "Residential neighborhood development property" means
a parcel of real property that has been subdivided by a
residential developer for the purpose of constructing a single-
family dwelling thereon.

(2) "Residential developer" means a person that owns
residential neighborhood development property upon which the
person causes a single-family dwelling to be constructed that
the person does not intend to occupy.



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(3) "New residential neighborhood" means an area 17
encompassing at least ten adjacent parcels of residential 18
neighborhood development property. 19

(4) "School district" means a city, local, or exempted 20
village school district. 21

(B) (1) The legislative authority of a municipal 22
corporation or the board of trustees of a township may adopt an 23
ordinance or resolution designating all or one or more portions 24
of the territory of the municipal corporation, or of the 25
unincorporated territory of the township, respectively, as a 26
neighborhood development area for the public purpose of 27
encouraging development of adequate housing in the municipal 28
corporation or township. The resolution or ordinance shall 29
include all of the following: 30

(a) A description of the boundaries of the neighborhood 31
development area; 32

(b) Identification of the municipal or township officer or 33
employee who will accept applications under division (D) of this 34
section; 35

(c) Findings to demonstrate that there is a current lack 36
of adequate housing within the municipal corporation or township 37
and that the designation of the area will encourage the 38
construction of new single-family dwellings, or the improvement 39
of existing single-family dwellings, that in either case would 40
be unlikely to occur in the absence of such a designation; 41

(d) The number of years during which the area will be 42
designated as a neighborhood development area or that the area 43
will be designated as such for a continuing period of time; 44

(e) A projection of how the proposed neighborhood 45

development area will enhance property values and thereby 46
generate additional tax revenue; 47

(f) The percentage of valuation that will be exempt from 48
taxation under division (C) of this section, which shall be 49
seventy per cent of assessed valuation or, if the legislative 50
authority or board of trustees negotiate a mutually acceptable 51
agreement with the board of education of each school district 52
within which parcels in the area are located pursuant to 53
division (B)(2) of this section, one hundred per cent. 54

The legislative authority or board may not include in a 55
neighborhood development area any parcel that is subject to an 56
exemption authorized under section 3735.67, 5709.40, 5709.41, 57
5709.73, or 5709.78 of the Revised Code. 58

(2) If the legislative authority or board intends to adopt 59
a resolution or ordinance under division (B)(1) of this section 60
that prescribes a percentage of valuation under division (B)(1) 61
(f) of this section of one hundred per cent, the legislative 62
authority or board shall send notice, by certified mail, to the 63
board of education of each school district within which parcels 64
in the proposed neighborhood development area would be located. 65
The notice shall state that the legislative authority or board 66
of trustees intends to adopt a resolution or ordinance 67
designating the parcels as a neighborhood development area, 68
shall describe the boundaries of the proposed neighborhood 69
development area, and state the date on which the legislative 70
authority or board intends to adopt the resolution or ordinance. 71

Upon mailing notice to a board of education, the 72
legislative authority or board of trustees shall attempt in good 73
faith to engage the board of education to explain the resolution 74
or ordinance and to reach a mutually acceptable agreement 75

whereby the board of education consents to the percentage of 76
valuation to be exempted from taxation under division (C) of 77
this section being one hundred per cent. If the legislative 78
authority or board of trustees and a board of education fail to 79
negotiate an agreement that is mutually acceptable within sixty 80
days after the certification of the notice to the board of 81
education, then the percentage of valuation that may be exempted 82
from taxation under division (C) of this section shall be 83
seventy per cent. 84

(3) The legislative authority or board shall certify a 85
copy of any resolution or ordinance adopted under division (B) 86
(1) of this section to the tax commissioner within ten days 87
after its adoption. 88

(C) Subject to division (D) of this section: 89

(1) The percentage designated under division (B) (1) (f) of 90
this section of the assessed valuation of neighborhood 91
development property within a new residential neighborhood 92
located wholly within a neighborhood development area shall be 93
exempt from taxation beginning with the tax year after the tax 94
year in which construction of a single-family dwelling commences 95
on such property and continuing until and including the tax year 96
in which the dwelling is first occupied. 97

(2) If a single-family dwelling located on residential 98
neighborhood development property that qualifies or would 99
qualify for the exemption authorized in division (C) (1) of this 100
section is occupied as a home by the owner, the percentage 101
designated under division (B) (1) (f) of this section of the 102
assessed valuation of the parcel upon which the dwelling is 103
situated shall be exempt from taxation beginning with the tax 104
year after the first tax year in which the dwelling is occupied 105

and for the nine succeeding tax years, provided that the owner 106
occupies the dwelling on the tax lien date. 107

(3) The percentage designated under division (B) (1) (f) of 108
this section of the increased assessed valuation of a parcel 109
located in a neighborhood development area and on which is 110
situated a single-family dwelling that is occupied as a home and 111
remodeled by or for the owner shall be exempt from taxation for 112
the tax year after the tax year in which the remodeling began 113
and the succeeding four tax years, provided that the cost of the 114
remodeling is at least ten thousand dollars and that the owner 115
occupies the dwelling on the tax lien date. The increased 116
assessed valuation shall equal the assessed valuation of the 117
parcel in the tax year for which the exemption applies minus the 118
assessed valuation of the parcel in the tax year in which the 119
remodeling began. 120

For the purposes of divisions (C) (2) and (3) of this 121
section, "owner" includes any person whose interest in the 122
dwelling is an interest that would qualify the person as the 123
owner of a homestead under section 323.151 of the Revised Code. 124

(D) To obtain an exemption authorized under division (C) 125
of this section for a tax year, an owner of real property shall 126
file an annual application for the exemption with the officer or 127
employee designated under division (B) (2) of this section. That 128
officer or employee shall verify that all requirements of this 129
section for the exemption are satisfied. If the officer or 130
employee determines that such requirements are satisfied, the 131
officer or employee shall submit, on behalf of the property 132
owner, an exemption application to the tax commissioner under 133
section 5715.27 of the Revised Code for the applicable exemption 134
authorized under division (C) of this section, notwithstanding 135

the requirement in division (A) of section 5715.27 of the 136
Revised Code that the owner of the property file the 137
application. If the term of the designation of the neighborhood 138
development area expires, that officer or employee shall 139
continue to accept and submit applications from owners first 140
eligible for an exemption under division (C) of this section for 141
a tax year occurring during the period the area was so 142
designated. 143