



## Ohio Revised Code

### Section 5709.52 Exemption from taxation for increase in value for newly developable or redevelopment property.

Effective: March 28, 2017

Legislation: Senate Bill 235 - 131st General Assembly

---

(A) As used in this section:

(1) "Newly developable property" means a parcel of real property on which no commercial, agricultural, or industrial operations are currently being conducted and on which construction of one or more commercial or industrial buildings or structures is planned but for which a certificate of occupancy has not yet been issued.

(2) "Redevelopment property" means a parcel of real property on which one or more commercial or industrial buildings or structures are or were situated, no commercial, agricultural, or industrial operations are currently being conducted, and construction or reconstruction of new commercial or industrial buildings or structures is planned but for which a certificate of occupancy following completion of the construction or reconstruction has not yet been issued.

(3) "Commercial or industrial building or structure" means a building or structure classified as to use for tax purposes as commercial or industrial that, prior to its use or occupation, requires a certificate of occupancy. "Commercial or industrial building or structure" does not include a building or structure any part of which is to be used as a dwelling.

(4) "Remnant parcel" means a parcel resulting from a subdividing plat that includes original property.

(5) "Original property" means newly developable property or redevelopment property subject to an exemption under division (C) of this section for a tax year.

(6) "Unexempted value" means the taxable value of original property for the tax year preceding the first tax year for which the property is subject to an exemption under division (C) of this section.



(7) "Subdividing plat" means a plat subdividing land that is approved by the board of county commissioners, municipal corporation legislative authority, or municipal, county, or regional planning or platting commission having authority to approve plats in the territory in which newly developable property or redevelopment property is situated.

(8) "Certificate of occupancy" means a valid certificate of occupancy issued for a commercial or industrial building or structure by the building official having jurisdiction over that building or structure.

(9) "Increase in the taxable value" or "increase in value" means the amount by which the taxable value of a parcel as it would have appeared on the tax list and duplicate of real and public utility property for a tax year exceeds the unexempted value of that parcel.

(10) "Political subdivision" means a municipal corporation, township, or county.

(11) "Legislative body" means the legislative authority of a municipal corporation, a board of township trustees, or a board of county commissioners.

(B)(1)(a) The owner of newly developable property or redevelopment property may submit an application to exempt the increase in value of such property from taxation under this section to one of the following:

(i) Except as provided in division (B)(1)(a)(iii) of this section, if the property is located in a municipal corporation, to the municipal corporation;

(ii) Except as provided in division (B)(1)(a)(iii) of this section, if the property is located in the unincorporated area of a township, to the township or the county;

(iii) If any portion of the value of the property is exempted from taxation under section 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code, to the municipal corporation, township, or county that authorized that exemption.

(b) An application filed under division (B)(1) of this section shall include both of the following:



(i) A statement attesting to each of the following:

(I) That the parcel is newly developable property or redevelopment property;

(II) If the parcel is newly developable property, that either the parcel is zoned to permit construction of a new commercial or industrial building or structure or no applicable zoning regulation prohibits construction of a new commercial or industrial building or structure on that parcel;

(III) If the parcel is redevelopment property, that either the property is zoned to permit construction or reconstruction of a new commercial or industrial building or structure or no applicable zoning regulation prohibits construction or reconstruction of a new commercial or industrial building or structure on that parcel.

(ii) A certificate obtained from the county treasurer stating that there are no outstanding real property taxes, assessments, penalties, or charges that are due and unpaid with respect to the property on the date the certificate is issued. For the purposes of this division, taxes and assessments are due and unpaid if they remain unpaid on the date they are required to be paid as prescribed by section 323.12 of the Revised Code.

(2) If an application submitted under division (B)(1) of this section is complete, the legislative body of a political subdivision receiving the application, by resolution or ordinance, may declare that the development or redevelopment of a parcel that is the subject of the application is a public purpose and that increases in the taxable value of the parcel shall be exempted from taxation as provided in this section. A board of township trustees or board of county commissioners shall not adopt a resolution under this section with respect to a parcel that is the subject of a resolution that has been adopted by a board of county commissioners or board of township trustees, respectively, under division (B)(2) of this section. A resolution or ordinance adopted under division (B)(2) of this section shall specify the tax year for which the exemption from taxation shall commence, which shall be the tax year in which the application is filed or the ensuing tax year, and the term of the exemption, which shall be for six tax years except as provided in division (C) of this section.

Before adopting an ordinance or resolution under division (B)(2) of this section, a legislative body



shall do both of the following:

(a) Notify the board of education of each city, local, exempted village, or joint vocational school district in which the parcel is located of the legislative body's intent to adopt such an ordinance or resolution with respect to that parcel;

(b) If the legislative body is a board of township trustees or board of county commissioners, notify the board of commissioners of the county or the board of trustees of the township, respectively, in which the parcel is located of the legislative body's intent to adopt such a resolution with respect to that parcel.

(C) Any increase in the taxable value of newly developable property or redevelopment property is exempted from taxation beginning with the tax year specified in the ordinance or resolution adopted under division (B)(2) of this section and for the five ensuing tax years, except that the exemption shall not apply to any tax year in which one of the following occurs or any ensuing year:

(1) The owner obtains a certificate of occupancy for a commercial or industrial building or structure located on the property.

(2) The owner transfers title to the property to another person.

(3) Applicable zoning regulations change in such a manner that construction of a new commercial or industrial building or structure is no longer permitted.

(4) Subject to division (D) of this section, a subdividing plat that includes the property is presented to the county auditor under section 5713.18 of the Revised Code.

(5) Any commercial, agricultural, or industrial operations are conducted on the property.

(D)(1) If the event described in division (C)(4) of this section occurs, any increase in the taxable value of remnant parcels is exempted from taxation beginning with the tax year in which the subdividing plat is presented to the county auditor. The taxable value of each remnant parcel for that tax year shall equal the same proportion of the unexempted value that the true value in money of the



remnant parcel for that tax year bears to the aggregate true value in money of all remnant parcels for that tax year. Remnant parcels remain subject to the exemption authorized under division (D) of this section until the earlier of the last tax year for which the exemption applies or the tax year immediately preceding the tax year in which one of the events described in divisions (C)(1) to (5) of this section occurs with respect to any remnant parcel, subject to division (D)(2) of this section.

(2) If the event described in division (C)(4) of this section occurs with respect to a remnant parcel for which a portion of the remnant parcel's value is exempted for the preceding tax year under this section, the taxable value of each parcel resulting from the subdivision of the remnant parcel for the tax year in which the subdividing plat is presented to the county auditor shall equal the same proportion of the taxable value attributable to the remnant parcel under division (D)(1) of this section that the true value in money of the resultant parcel for that tax year bears to the aggregate true value in money of all such resultant parcels for that tax year.

(3) Nothing in division (D) of this section authorizes an exemption from taxation for parcels that do not include original property.

(E) No exemption from taxation is authorized under this section for the increase in value of newly developable property or redevelopment property unless the owner of the property files an application for exemption as required by section 5715.27 of the Revised Code.

(F) A recoupment charge shall be levied on a parcel the increase in value of which was exempted from taxation under this section if either of the following events occurs:

(1) The owner transfers title to the parcel to another person, provided that owner made no improvements to the parcel from the date the owner filed an application under division (B) of this section to the date of that transfer.

(2) Commercial, agricultural, or industrial operations are conducted on the parcel before the owner obtains a certificate of occupancy for the commercial or industrial building or structure located on the parcel.

The charge shall equal the difference between the amount of real property taxes paid with respect to



the parcel for the three tax years immediately preceding the year in which the event occurs and the amount of such taxes that would have been due for those three years if no portion of the value of the parcel was exempted under this section for those years.

The county auditor shall place the charge as a separate item on the tax list for the tax year in which the event occurs or the occurrence of the event is discovered. The charge shall constitute a lien of the state upon the parcel as of the first day of January of the tax year in which the charge is levied and shall continue until discharged. The charge shall be collected by the county treasurer in the same manner and at the same time as real property taxes levied against the parcel.

Upon the collection of any charge levied under this division and any penalties and interest arising thereon, the auditor, after deducting all fees allowed on the collection of money on the tax list and duplicate, shall distribute the full amount thereof among taxing units in proportion to the per cent of the total real property taxes levied upon the parcel in the preceding tax year by each taxing unit. Money distributed under this division to a taxing unit shall be allocated among its various funds in the same proportion that the real property taxes levied during the preceding tax year that are required to be paid into each fund bear to the total real property taxes levied during that year.