



Ohio Revised Code

Section 5709.56 Residential development land exemption.

Effective: October 3, 2023

Legislation: House Bill 33 - 135th General Assembly

(A) As used in this section:

(1) "Pre-residential development property" means a subdivided parcel of unimproved real property on which construction of one or more residential buildings is planned but has not yet commenced. The construction of streets, sidewalks, curbs, or driveways or the installation of water, sewer, or other utility lines on a subdivided parcel does not cause construction of a residential building to commence for purposes of division (A)(1) or (B) of this section. "Pre-residential development property" does not include a parcel, any portion of the value of which is exempted from taxation under section 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code.

(2) "Residential building" means a building or structure any part of which is to be used as a dwelling.

(3) "Unexempted value" means, for any subdivided parcel, one of the following:

(a) Except as provided in division (A)(3)(b) of this section, the purchase price of the original property multiplied by a fraction, the numerator of which is the true value in money of the subdivided parcel for the tax year the subdivided parcel first appears on the tax list and the denominator of which is the true value in money of all subdivided parcels subdivided from that original parcel for that tax year.

(b) If a subdivided parcel exempted under this section is itself subdivided, the "unexempted value" of the newly subdivided parcel equals the unexempted value, as defined in division (A)(3)(a) of this section, of the parcel from which the newly subdivided parcel was subdivided for the tax year preceding the tax year the newly subdivided parcel first appears on the tax list multiplied by a fraction, the numerator of which is the true value in money of the newly subdivided parcel for the tax year it first appears on the tax list and the denominator of which is the true value in money for that year of all newly subdivided parcels resulting from the most recent subdivision.



(4) "Subdivided parcel" means a parcel resulting from the subdivision of original property pursuant to a plat subdividing that property presented to the county auditor under section 5713.18 of the Revised Code.

(5) "Original property" means the parcel from which a subdivided parcel is subdivided.

(6) "Qualifying owner" means the owner of pre-residential development property for any portion of a tax year ending on or after the effective date of this section that includes the date a plat subdividing land including such property is presented to the county auditor under section 5713.18 of the Revised Code, or any other person to which title to the property is transferred, without consideration, by another qualifying owner.

(7) "Purchase price" means the price at which the property was most recently sold in an arm's length transaction, as described in section 5713.03 of the Revised Code.

(B) Any increase in taxable value above the unexempted value of pre-residential development property owned by a qualifying owner is exempted from taxation beginning with the first tax year the pre-residential development property appears on the tax list after a plat subdividing land including that property is presented to the county auditor under section 5713.18 of the Revised Code and for each of the seven ensuing tax years, except that the exemption shall not apply beginning with the tax year that begins after the tax year in which the earliest of the following occurs:

(1) Construction of a residential building on that property commences;

(2) Title to the property is transferred for consideration by a qualifying owner to another person;

(3) Any portion of the value of that property is exempted from taxation under section 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code.

(C) The tax commissioner shall not approve an application for an exemption authorized under this section unless the applicant for the exemption certifies that the parcel that is the subject of the exemption satisfies the requirements of division (A)(1) of this section for pre-residential



development property.

(D)(1) If a parcel subject to the partial exemption authorized by this section is valued at its current value for agricultural use under section 5713.31 of the Revised Code, the county auditor shall regularly inspect the parcel to determine whether a conversion of land devoted exclusively to agricultural use, as defined in section 5713.30 of the Revised Code, has occurred. Nothing in this section shall be construed to limit the authority of a county auditor to levy any recoupment charge pursuant to sections 5713.34 and 5713.35 of the Revised Code.

(2) Nothing in this section shall be construed to allow a parcel that is not land devoted exclusively to agricultural use, as defined in section 5713.30 of the Revised Code, to be valued at its current value for agricultural use under section 5713.31 of the Revised Code.

(3) Nothing in this section shall be construed to authorize a parcel subject to the partial exemption authorized by this section to be valued and assessed for taxation in any manner other than in accordance with Section 36 of Article II or Section 2 of Article XII, Ohio Constitution, as applicable to the parcel.