



Ohio Revised Code

Section 5709.74 Annual service payments in lieu of taxes.

Effective: April 6, 2023

Legislation: House Bill 501

(A) A township that has declared an improvement to be a public purpose under section 5709.41 or 5709.73 of the Revised Code may require the owner of the parcel to make annual service payments in lieu of taxes to the county treasurer on or before the final dates for payment of real property taxes. Each payment shall be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and payable against any improvement made on the parcel if it were not exempt from taxation. If any reduction in the levies otherwise applicable to the exempt property is made by the county budget commission under section 5705.31 of the Revised Code, the amount of the service payment in lieu of taxes shall be calculated as if a reduction in levies had not been made. A township shall not require an owner to make annual service payments in lieu of taxes pursuant to this section after the date on which the township has been paid back in full for the public infrastructure improvements made pursuant to sections 5709.73 to 5709.75 of the Revised Code.

(B) Moneys collected as service payments in lieu of taxes shall be distributed at the same time and in the same manner as real property tax payments. However, subject to division (C) of this section or section 5709.913 of the Revised Code, the entire amount so collected shall be distributed to the township in which the improvement is located. If a parcel upon which moneys are collected as service payments in lieu of taxes is annexed to a municipal corporation, the service payments shall continue to be collected and distributed to the township in which the parcel was located before its annexation until the township is paid back in full for the cost of any public infrastructure improvements it made on the parcel. The treasurer shall maintain a record of the service payments in lieu of taxes made from property in each township.

(C) If annual service payments in lieu of taxes are required under this section, the county treasurer shall distribute to the appropriate taxing authorities the portion of the service payments that represent payments required under division (F) of section 5709.73 of the Revised Code.

(D) Nothing in this section or section 5709.41 or 5709.73 of the Revised Code affects the taxes



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levied against that portion of the value of any parcel of property that is not exempt from taxation.