



Ohio Revised Code

Section 5709.75 Township public improvement tax increment equivalent fund.

Effective: April 6, 2023

Legislation: House Bill 501

(A) Any township that grants a tax exemption under section 5709.73 of the Revised Code shall establish a township public improvement tax increment equivalent fund into which shall be deposited service payments in lieu of taxes distributed to the township under section 5709.74 of the Revised Code. If the board of township trustees has adopted a resolution under division (C) of section 5709.73 of the Revised Code, the township shall establish at least one account in that fund with respect to resolutions adopted under division (B) of that section, and one account with respect to each incentive district created by a resolution adopted under division (C) of that section. If a resolution adopted under division (C) of section 5709.73 of the Revised Code also authorizes the use of service payments for housing renovations within the incentive district, the township shall establish separate accounts for the service payments designated for public infrastructure improvements and for the service payments authorized for the purpose of housing renovations.

Except as otherwise provided in division (C) or (D) of this section, money deposited in an account of the township public improvement tax increment equivalent fund shall be used by the township to pay the costs of public infrastructure improvements designated in or the housing renovations authorized by the resolution with respect to which the account is established, including any interest on and principal of the notes; in the case of an account established with respect to a resolution adopted under division (C) of that section, money in the account shall be used to finance the public infrastructure improvements designated, or the housing renovations authorized, for each incentive district created in the resolution. Money in an account shall not be used to finance or support housing renovations that take place after the incentive district has expired.

(B) A township may, by resolution, establish a redevelopment tax increment equivalent fund, into which shall be deposited service payments in lieu of taxes distributed to the township by the county treasurer as provided in section 5709.74 of the Revised Code for improvements exempt from taxation pursuant to an ordinance adopted under section 5709.41 of the Revised Code. Moneys deposited in the redevelopment tax increment equivalent fund shall be used for such purposes as are authorized in the resolution establishing the fund.



(C)(1)(a) A township may distribute money in the township public improvement tax increment equivalent fund or redevelopment tax increment equivalent fund to any school district in which the exempt property is located in an amount not to exceed the amount of real property taxes that such school district would have received from the improvement if it were not exempt from taxation. The resolution establishing the fund shall set forth the percentage of such maximum amount that will be distributed to any affected school district.

(b) A township also may distribute money in either fund as follows:

(i) To a board of county commissioners, in the amount that is owed to the board pursuant to division (E) of section 5709.73 of the Revised Code;

(ii) To a county in accordance with section 5709.913 of the Revised Code.

(2) Money from an account in a township public improvement tax increment equivalent fund or from a redevelopment tax increment equivalent fund may be distributed under division (C)(1)(b) of this section, regardless of the date a resolution was adopted under section 5709.73 of the Revised Code that prompted the establishment of the account, even if the resolution was adopted prior to March 30, 2006.

(D) A board of township trustees that adopted a resolution under section 5709.73 of the Revised Code and that, with respect to property exempted under such a resolution, is party to a hold-harmless or service agreement, may appropriate and expend unencumbered money in the fund to pay current public safety expenses of the township. A township appropriating and expending money under this division shall reimburse the fund for the sum so appropriated and expended not later than the day the exemption granted under the resolution expires. For the purposes of this division, a "hold-harmless agreement" is an agreement with the board of education of a city, local, or exempted village school district under which the board of township trustees agrees to compensate the school district for one hundred per cent of the tax revenue the school district would have received from improvements to parcels designated in the resolution were it not for the exemption granted by the resolution.

(E) A board of township trustees that adopted a resolution under section 5709.73 of the Revised



Code prior to July 21, 1994, and that, with respect to property exempted under such resolution, is a party to a hold-harmless or service agreement with a board of education of a city, local, or exempted village school district, within the territory of which such property is located, may appropriate and expend unencumbered money in the fund to pay current expenses for the continued maintenance of public improvements or public infrastructure improvements designated in that resolution, as such resolution has been amended under division (K) of section 5709.73 of the Revised Code.

(F) Any unencumbered money remaining in the township public improvement tax increment equivalent fund or an account of that fund, or in the redevelopment tax increment equivalent fund, upon dissolution of the account or fund shall be transferred to the general fund of the township.