

As Reported by the Senate Ways and Means Committee

131st General Assembly

Regular Session

2015-2016

Sub. S. B. No. 235

Senators Beagle, Coley

Cosponsor: Senator Eklund

A BILL

To enact section 5709.45 of the Revised Code to
exempt from property tax the increased value of
property on which industrial or commercial
development is planned until the completion of
new commercial or industrial facilities at the
property.

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

Section 1. That section 5709.45 of the Revised Code be
enacted to read as follows:

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Sec. 5709.45. (A) As used in this section:

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(1) "Newly developable property" means a parcel of real
property on which no commercial 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.

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(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 or industrial

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operations are currently being conducted, and construction or 19
reconstruction of new commercial or industrial buildings or 20
structures is planned but for which a certificate of occupancy 21
following completion of the construction or reconstruction has 22
not yet been issued. 23

(3) "Commercial or industrial building or structure" means 24
a building or structure classified as to use for tax purposes as 25
commercial or industrial that, prior to its use or occupation, 26
requires a certificate of occupancy. "Commercial or industrial 27
building or structure" does not include a building or structure 28
any part of which is to be used as a dwelling. 29

(4) "Remnant parcel" means a parcel resulting from a 30
subdividing plat that includes original property. 31

(5) "Original property" means newly developable property 32
or redevelopment property subject to an exemption under division 33
(B)(1) of this section for a tax year. 34

(6) "Unexempted value" means the taxable value of property 35
as it appeared or would have appeared, if it were not for the 36
exemption granted under this section, on the tax list and 37
duplicate of real and public utility property for the most 38
recent calculation year. 39

(7) "Subdividing plat" means a plat subdividing land that 40
is approved by the board of county commissioners, municipal 41
corporation legislative authority, or municipal, county, or 42
regional planning or platting commission having authority to 43
approve plats in the territory in which newly developable 44
property or redevelopment property is situated. 45

(8) "Certificate of occupancy" means a valid certificate 46
of occupancy issued for a commercial or industrial building or 47

structure by the building official having jurisdiction over that 48
building or structure. 49

(9) "Calculation year" means the tax year preceding the 50
tax year in which the owner files a declaration under division 51
(B) (1) of this section, and every tenth year thereafter. 52

(10) "Increase in the taxable value" or "increase in 53
value" means the amount by which the taxable value of property 54
as it would have appeared on the tax list and duplicate of real 55
and public utility property for a tax year exceeds the 56
unexempted value of that property. 57

(B) (1) Any increase in the taxable value of newly 58
developable property or redevelopment property is exempted from 59
taxation beginning with the tax year in which the owner files a 60
written declaration with the county auditor of the county in 61
which the property is located attesting to each of the 62
following: 63

(a) That the property is newly developable property or 64
redevelopment property; 65

(b) If the property is newly developable property, that 66
the property is zoned to permit construction of a new commercial 67
or industrial building or structure; 68

(c) If the property is redevelopment property, that the 69
property is zoned to permit construction or reconstruction of a 70
new commercial or industrial building or structure. 71

(2) The increase in value of property exempted under 72
division (B) (1) of this section shall be exempted for each 73
ensuing tax year until and including the tax year immediately 74
preceding the tax year in which one of the following occurs: 75

<u>(a) The owner obtains a certificate of occupancy for a</u>	76
<u>commercial or industrial building or structure located on the</u>	77
<u>property.</u>	78
<u>(b) The owner transfers title to the property to another</u>	79
<u>person.</u>	80
<u>(c) The property is rezoned such that construction of a</u>	81
<u>new commercial or industrial building or structure is no longer</u>	82
<u>permitted.</u>	83
<u>(d) Subject to division (C) of this section, a subdividing</u>	84
<u>plat that includes the property is presented to the county</u>	85
<u>auditor under section 5713.18 of the Revised Code.</u>	86
<u>(e) Any commercial or industrial operations are conducted</u>	87
<u>on the property.</u>	88
<u>(C) (1) If the event described in division (B) (2) (d) of</u>	89
<u>this section occurs, any increase in the taxable value of</u>	90
<u>remnant parcels is exempted from taxation beginning with the tax</u>	91
<u>year in which the subdividing plat is presented to the county</u>	92
<u>auditor. The unexempted value of each remnant parcel for a tax</u>	93
<u>year shall equal the same proportion of the aggregate unexempted</u>	94
<u>value of all the remnant parcels that the true value in money of</u>	95
<u>the remnant parcel for that tax year bears to the aggregate true</u>	96
<u>value in money of all remnant parcels for that tax year. Remnant</u>	97
<u>parcels remain subject to the exemption authorized under</u>	98
<u>division (C) of this section until and including the tax year</u>	99
<u>immediately preceding the tax year in which one of the events</u>	100
<u>described in divisions (B) (2) (a) to (e) of this section occurs</u>	101
<u>with respect to any remnant parcel, subject to division (C) (2)</u>	102
<u>of this section.</u>	103
<u>(2) If the event described in division (B) (2) (d) of this</u>	104

section occurs with respect to a remnant parcel for which a 105
portion of the remnant parcel's value is exempted for the 106
preceding tax year under this section, the unexempted value of 107
each parcel resulting from the subdivision of the remnant parcel 108
for a tax year shall equal the same proportion of the unexempted 109
value attributable to the remnant parcel under division (C)(1) 110
of this section that the true value in money of the resultant 111
parcel for that tax year bears to the aggregate true value in 112
money of all such resultant parcels for that tax year. 113

(3) Nothing in division (C) of this section authorizes an 114
exemption from taxation for parcels that do not include original 115
property. 116

(D) No exemption from taxation is authorized under this 117
section for the increase in value of newly developable property 118
or redevelopment property unless the owner of the property files 119
an application for exemption as required by section 5715.27 of 120
the Revised Code. 121

Section 2. The enactment by this act of section 5709.45 of 122
the Revised Code applies to tax year 2016 and every tax year 123
thereafter. 124