



Ohio Legislative Service Commission

Bill Analysis

Mackenzie Damon

Sub. S.B. 235

131st General Assembly
(As Reported by S. Ways & Means)

Sens. Beagle and Coley, Eklund

BILL SUMMARY

- Authorizes a property tax exemption for the increase in value of property planned for commercial or industrial development while the property is in the pre-development stage.

CONTENT AND OPERATION

Property tax exemption for land in the pre-development stage

The bill authorizes a property tax exemption for land in the pre-development stage. The exemption applies to (1) property that has not yet been, but will be, developed for commercial or industrial use and (2) existing commercial or industrial property that is no longer in use, but for which redevelopment is planned. Property does not qualify if it will be used, in whole or part, for residential purposes.

The bill exempts any increase in the value of qualifying property for up to ten years, after which point the property's value "re-sets." In the eleventh tax year, the property is valued at its actual taxable value for that tax year, then any increase in the "re-set" value is exempted for the following nine years. The exemption continues, with a "re-set" every ten years, until a disqualifying event occurs with respect to the property.

To receive the exemption, a property owner must submit an affidavit to the county auditor certifying that the property is zoned to permit the construction or redevelopment of a commercial or industrial building. The exemption begins in the tax year in which this affidavit is filed. The exemption ends in the tax year preceding the tax year in which one of the following events occurs:

(1) The owner receives a certificate of occupancy for the property;

(2) Commercial or industrial activities occur on the property;

(3) The owner transfers title of the property to another person;

(4) The property is re-zoned, and the construction of a commercial or industrial building is no longer allowed.

If qualifying property is subdivided, the exemption continues to apply (subject to the ten-year "re-set" provision) to any of the subdivided parcels that are constituted entirely of original property until one of the above disqualifying events occur with respect to the parcel.¹

The bill first applies to the 2016 tax year.²

HISTORY

ACTION	DATE
Introduced	10-27-15
Reported, S. Ways & Means	04-27-16

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¹ R.C. 5709.45.

² Section 2.

