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Synopsis of House Committee Amendments

(This synopsis does not address amendments that may have been adopted on the House Floor.)

S.B. 212 of the 133rd General Assembly

House Ways & Means

Michael Hinel, Attorney

Neighborhood Development Area

Limits a neighborhood development area (NDA) to only a portion of municipal or unincorporated township territory.

Limits to three the number of NDAs within each municipality or township at any one time.

Limits the term of an NDA to up to ten years, but authorizes the municipality or township to extend the term by up to ten years for an indefinite number of times.

Requires a resolution creating an NDA to list all parcels included in the NDA, instead of describing the NDA's boundaries.

Specifies that the public purpose of an NDA, as evidenced in the NDA resolution, may be to address a housing shortage in the municipality or township, an alternative to the public purpose of encouraging the development of adequate affordable housing.

Authorizes the municipality or township to set the property tax exemption percentage that will apply throughout the NDA, which may be any percentage, but requires any percentage that exceeds 75% to be approved by the overlapping school districts.

Extends the NDA property tax exemptions to include not just new or remodeled single-family homes, but any multi-family building, so long as the building is comprised solely of dwellings, but authorizes a municipality or township to limit the dwellings that may qualify for an exemption to single-, two-, and three-family homes.

Authorizes a property tax exemption for vacant property owned by developers, beginning the year the property is subdivided and continuing until construction begins, but for no more than ten years.

Limits the property tax exemption for property in the process of being developed to no more than ten years.

Reduces the remodeling costs, from \$10,000 to \$5,000, required for a remodeled residence to qualify for a five-year incremental value increase exemption.

Commences the exemption for a remodeled residence in the tax year an increase in value resulting from the remodeling first appears on the tax list, instead of in the tax year after the remodeling begins.

Continues to require annual applications be submitted to a designated local official, but only requires the official to submit an exemption application to the Tax Commissioner in the first year the applicable NDA exemption applies.

Requires, if the property owner ceases to qualify for the exemption, the local official to notify the Tax Commissioner, who will order the property returned to the tax list.