



Ohio Revised Code

Section 1728.11 Semi-annual service charge in lieu of taxes.

Effective: March 23, 2005

Legislation: Senate Bill 165 - 125th General Assembly

The community urban redevelopment corporation entering into a financial agreement with a municipal corporation other than an impacted city shall make payment to the county treasurer on or before the final date for payment of real estate taxes in the county for each half year of a semi-annual service charge in lieu of taxes on the real property of the corporation in the project, whether acquired by purchase or lease, in a semi-annual amount of not less than seven and one-half per cent of the annual gross revenues from each unit of the project, if the project is undertaken in units, or from the total project if the project is not to be undertaken in units, for each of the years of operation commencing with the date of the completion of such unit or of the project, as the case may be.

Where, because of the nature of the development, ownership, use, or occupancy of the project or any unit thereof if the project is to be undertaken in units, the total annual gross rental cannot be reasonably ascertained, the governing body shall provide in the financial agreement that the annual service charge shall be a sum of not less than two per cent of the total project cost or total project unit cost, calculated from the first day of the month following the substantial completion of the project or any unit thereof if the project is undertaken in units. In no event shall such payment together with the taxes on the land, in any year after first occupancy of the project, be less than the total taxes assessed on all real property in the area covered by the project in the calendar year immediately preceding the acquisition of the said area by the municipality or its agency.

Against such annual charge the corporation is entitled to credit for the amount, without interest, of the real estate taxes on land paid by it in the last two preceding semi-annual installments. On or before the fifteenth of January in each year each taxing district shall report to the county auditor, in such form as is approved by the tax commissioner, the amount of the service charge in excess of the taxes on the land chargeable for the preceding calendar year for each project or unit thereof subject to Chapter 1728. of the Revised Code. Such payments shall be distributed by the county auditor to the taxing subdivision levying taxes in the subdivisions in which the property is located, in the same proportions in which the current general property tax is distributed. The county treasurer may secure the service charge payments, minus the credit, by a lien on the real property of the corporation in the project. Such a lien shall attach, and may be perfected, collected, and enforced, in the same manner



as a mortgage lien on real property, and shall otherwise have the same force and effect as a mortgage lien on real property.

At the end of thirty years for one, two, or three family residential dwelling units and twenty years for all other uses of the improvements from the date of the execution of a financial agreement or earlier by agreement of the parties thereto, the tax exemption upon any unit, if the project is undertaken in units, or upon the entire project, if the project is not undertaken in units, ceases and the improvements and any other property of the corporation as well as the land shall be assessed and taxed, according to general law, like other property within the municipal corporation.

At the same date all restrictions and limitations upon the corporation shall terminate and be at an end upon the corporation's rendering its final account with the municipal corporation.