



Ohio Revised Code

Section 5709.28 Percentage of taxable value of agricultural security area land may be exempt.

Effective: July 18, 2008

Legislation: House Bill 289 - 127th General Assembly

As used in this section, "qualifying agricultural real property" means a building, structure, improvement, or fixture that is used exclusively for agricultural purposes, that is located on land enrolled in an agricultural security area established under Chapter 931. of the Revised Code, and for which the aggregate new investment has a true value in money of twenty-five thousand dollars or more.

At the time of the establishment or renewal of an agricultural security area or at any time during which land is enrolled in an agricultural security area, a percentage of the taxable value of qualifying agricultural real property first appearing on the real and public utility property tax list in a tax year during the enrollment may be exempted from taxation. The board of township trustees of each township in which the land that is enrolled in the agricultural security area is located and the board of county commissioners of each county in which the land is located shall confer with each other and reach an agreement concerning the tax exemption. At the time the agreement is reached, the boards shall send written notice of the agreement to the superintendent of each school district within the agricultural security area. After the agreement is reached and the tax exemption is granted, the qualifying agricultural real property shall become exempt in the tax year following the year in which the construction of the property is completed.

The agreement shall establish the percentage of the taxable value of qualifying agricultural real property that is to be exempted from taxation and the number of years that the tax exemption will apply to that property. The agreement may specify that the tax years during which the exemption will apply to the property may extend past the scheduled expiration date of the period of enrollment in the agricultural security area, provided that the enrollment is renewed and otherwise continues during the tax years that the exemption applies. The agreement shall not exempt from taxation more than seventy-five per cent of the taxable value of the qualifying agricultural real property. In addition, the agreement may establish the maximum amount of the value of the qualifying agricultural real property to which the tax exemption may apply. Subsequent to the agreement establishing that



maximum amount, the owner of the property may request the applicable boards to alter the agreement and increase the maximum value of the property to which the tax exemption applies. The agreement shall be reviewed annually by the tax incentive review council in accordance with section 5709.85 of the Revised Code.

Each time that a renewal application is filed for an agricultural security area that involves qualifying agricultural real property that has been the subject of an exemption that expired on or before the date on which the previous period of enrollment in an agricultural security area expired, the applicable boards shall reach a new agreement concerning the exemption before any of the boards adopts a resolution either approving or rejecting the renewal application.

The county auditor shall enter on the list of property described in section 5713.07 of the Revised Code that is exempt from taxation any qualifying agricultural real property that is the subject of an exemption under this section. An application shall not be required to be filed under section 5715.27 of the Revised Code with respect to the exemption. The county auditor shall remove the qualifying agricultural real property from the list at the time that the county auditor discovers or is notified under section 931.07 of the Revised Code that a withdrawal, removal, or conversion of land from an agricultural security area has occurred in a way that makes the qualifying agricultural real property no longer eligible for the exemption.

If the county auditor removes qualifying agricultural real property from the list of property that is exempt from taxation and the owner of the removed property claimed a tax exemption established under this section for a prior tax year, the amount of tax otherwise imposed on the qualifying agricultural real property that was the subject of the exemption shall be increased. The amount of the increase shall equal the aggregate value of the tax exemption received by the taxpayer under this section since the agricultural security area was most recently approved for establishment or renewal, as applicable, plus interest on that amount at the average bank prime rate, as determined under section 929.02 of the Revised Code, at the time that the county auditor removes the property from the list of property that is exempt from taxation. The tax year in which the increase shall occur is dependent upon the date on which the county auditor makes a discovery or is notified under section 931.07 of the Revised Code that a withdrawal, removal, or conversion of land from an agricultural security area has occurred. If the discovery or notification occurs prior to the date in a tax year on which the county auditor delivers a copy of the general tax list to the county treasurer



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under section 319.28 of the Revised Code, the increase shall occur in the same tax year that the discovery or notification occurred. If the discovery or notification occurs on or after the date in a tax year on which the copy of the general tax list is delivered to the county treasurer, the increase shall occur in the tax year that immediately follows the year in which the discovery or notification occurred.