



## Ohio Revised Code

### Section 5709.48 Transportation financing districts; creation.

Effective: October 3, 2023

Legislation: House Bill 33

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(A) As used in this section and sections 5709.481, 5709.49, and 5709.50 of the Revised Code:

(1) "Regional transportation improvement project" has the same meaning as in section 5595.01 of the Revised Code.

(2) "Improvements" means the increase in the assessed value of any real property that would first appear on the tax list and duplicate of real and public utility property after the effective date of the resolution adopted under this section were it not for the exemption granted by that resolution.

(B) For the purposes described in division (A) of section 5595.06 of the Revised Code, the governing board of a regional transportation improvement project that was undertaken pursuant to section 5595.02 of the Revised Code before March 23, 2018, may, by resolution, create a transportation financing district and declare improvements to parcels within the district to be a public purpose and exempt from taxation.

(C) A transportation financing district shall consist of all territory of all counties that are participants in the regional transportation improvement project funded by the district, except that the district shall not include parcels used primarily for residential purposes, parcels that are currently exempt from taxation under this section or section 5709.40, 5709.41, 5709.45, 5709.73, or 5709.77 of the Revised Code, or parcels excluded from the district under division (G) of this section.

(D) A resolution creating a transportation financing district shall specify all of the following:

(1) The county treasurer's permanent parcel number associated with each parcel included in the district;

(2)(a) The percentage of improvements to be exempted from taxation and the duration of the exemption.



(b) Except as provided in division (E) of this section, the percentage of improvements to be exempted shall not exceed seventy-five per cent, and the duration of the exemption shall not exceed ten years.

(c) In no case may the life of the exemption exceed the remaining number of years the cooperative agreement for the regional transportation improvement district, described under section 5595.03 of the Revised Code, is in effect.

(3) A plan for the district that describes the principal purposes and goals to be served by the district and explains how the use of service payments provided for by section 5709.49 of the Revised Code will economically benefit owners of property within the district.

(E) Subject to division (D)(2)(c) of this section, improvements to parcels located in a transportation financing district may be exempted from taxation for up to thirty years, and the percentage of improvements that may be exempted may equal up to one hundred per cent, if either of the following apply:

(1) The governing board, before adopting a resolution under division (B) of this section, obtains the approval under division (F) of section of the board of education of each city, local, and exempted village school district within the territory of the proposed transportation financing district.

(2) In the resolution creating the transportation financing district, the governing board agrees to compensate each city, local, or exempted village, and joint vocational school district or districts in which the transportation financing district is located for the full amount of taxes that would have been payable to the school district or districts if the improvements had not been exempted from taxation.

(F)(1) A governing board seeking the approval of a school district for the purpose of division (E)(1) of this section shall send notice of the proposed resolution to the school district not later than forty-five business days before it intends to adopt the resolution. The notice shall include a copy of the proposed resolution and shall indicate the date on which the governing board intends to adopt the resolution.



The board of education, by resolution adopted by a majority of the board, may approve the exemption for the period or for the exemption percentage specified in the notice; may disapprove the exemption for the number of years in excess of ten, may disapprove the exemption for the percentage of the improvements to be exempted in excess of seventy-five per cent, or both; or may approve the exemption on the condition that the governing board and the board of education negotiate an agreement providing for compensation equal in value to a percentage of the amount of taxes exempted or some other mutually agreeable compensation. If a mutually acceptable compensation agreement is negotiated between the governing board and the board of education, the governing board shall compensate the joint vocational school district within which the district is located at the same rate and under the same terms received by the city, local, or exempted village school district.

(2) The board of education shall certify a resolution adopted under division (F)(1) of this section to the governing board not later than fourteen days before the date the governing board intends to adopt the resolution as indicated in the notice. If the board of education approves the ordinance or negotiates a mutually acceptable compensation agreement, the governing board may enact the resolution in its current form. If the board of education disapproves of the ordinance and fails to negotiate a mutually acceptable compensation agreement, the resolution is subject to the limitations prescribed by divisions (D)(2)(b) and (c) of this section. If the board of education fails to certify a resolution within the time prescribed by this division, the governing board may adopt the resolution and declare the improvements a public purpose for the period of time specified in the resolution, or, in the case of exemption percentages proposed in excess of seventy-five per cent, for the exemption percentage specified in the resolution.

The governing board may adopt the resolution at any time after the board of education certifies its resolution approving the exemption, or, if the board of education approves the exemption on the condition that a mutually acceptable compensation agreement be negotiated, at any time after the compensation agreement is agreed to by the board of education and the governing board.

(3) A board of education may adopt a resolution waiving its right to approve or receive notice of transportation financing districts proposed under this section. If a board of education has adopted such a resolution, the terms of that resolution supersede the requirements of division (F)(1) of this section. The governing board may negotiate an agreement with a board of education providing for



some mutually agreeable compensation in exchange for the board of education adopting such a resolution. If a board of education has adopted such an ordinance or resolution, it shall certify a copy to the governing board. If the board of education rescinds such a resolution, it shall certify notice of the rescission to the governing board.

(4) If the governing board is not required by division (F) of this section to notify the board of education of the governing board's intent to create a transportation financing district, the governing board shall comply with the notice requirements imposed under section 5709.83 of the Revised Code, unless the board of education has adopted a resolution under that section waiving its right to receive such a notice.

(G) The governing board shall notify and obtain the approval of every real property owner whose property is included in the proposed transportation financing district. The approval shall include a signed agreement between the property owner and the governing board that specifies the projects and purposes for which the service payments made by the owner under section 5709.49 of the Revised Code will be used. Such an agreement does not supersede any compensation agreement between the governing board and a school district under division (F) of this section. If the property owner and the governing board do not reach an agreement under this division, the parcel shall be excluded from the district.

(H)(1) Upon adopting a resolution creating a transportation financing district, the governing board shall send a copy of the resolution and documentation sufficient to prove that the requirements of divisions (F) and (G) of this section have been met to the director of development. The director shall evaluate the resolution and documentation to determine if the governing board has fully complied with the requirements of this section. If the director approves the resolution, the director shall send notice of approval to the governing board. If the director does not approve the resolution, the director shall send a notice of denial to the governing board that includes the reason or reasons for the denial. If the director does not make a determination within ninety days after receiving a resolution under this section, the director is deemed to have approved the resolution. No resolution creating a transportation financing district is effective without actual or constructive approval by the director under this section.

(2) An exemption from taxation granted under this section commences with the tax year specified in



the resolution so long as the year specified in the resolution commences after the effective date of the resolution. If the resolution specifies a year commencing before the effective date of the resolution or specifies no year whatsoever, the exemption commences with the tax year in which an exempted improvement first appears on the tax list and that commences after the effective date of the resolution.

(3) Except as otherwise provided in this division, the exemption ends on the date specified in the resolution as the date the improvement ceases to be a public purpose or the regional transportation improvement project funded by the service payments dissolves under section 5595.13 of the Revised Code, whichever occurs first. Exemptions shall be claimed and allowed in the same manner as in the case of other real property exemptions. If an exemption status changes during a year, the procedure for the apportionment of the taxes for that year is the same as in the case of other changes in tax exemption status during the year.

(I) The resolution creating a transportation financing district may be amended at any time by majority vote of the governing board and with the approval of the director of development obtained in the same manner as approval of the original resolution. Such an amendment may include adding a parcel to the district that was previously excluded under division (G) of this section, so long as the governing board and the owner of the parcel reach an agreement on the use of service payments as provided under that division.