



Ohio Revised Code

Section 5709.89

Effective: September 30, 2025

Legislation: House Bill 96

(A) As used in this section:

(1) "Indebted subdivision" means a county, township, or municipal corporation that has accepted a residential development loan.

(2) "Residential development loan" means a loan authorized under section 122.98 of the Revised Code.

(B) The legislative authority of an indebted subdivision shall adopt a resolution or ordinance exempting from real property taxation improvements to each parcel of real property whose construction commenced as the result of infrastructure whose development, repair, or upgrade was funded by a residential development loan accepted by the subdivision. The resolution or ordinance shall be adopted and begin to apply in the same tax year in which such infrastructure is developed, repaired, or upgraded.

The resolution or ordinance shall require the owner of the improvements exempted from taxation to make annual service payments in lieu of taxes to the county treasurer on or before the final dates for payment of real property taxes. Service payments in lieu of taxes required by a resolution or ordinance adopted under this section shall be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and payable against the improvements if not for the exemption.

Service payment receipts shall be distributed at the same time and in the same manner as real property tax payments. The entire amount, however, shall be paid to the indebted subdivision. The county treasurer shall maintain a record of the service payments in lieu of taxes made from property in each indebted subdivision.

The indebted subdivision shall use the payments solely to repay the residential development loan



associated with the exempted improvements. An exemption from taxation under this section and the obligation to make service payments ends beginning for the tax year after the applicable residential development loan is fully repaid, including any applicable interest. The indebted subdivision shall notify the parcel's owner, the county auditor, and the county treasurer immediately after the loan is fully repaid of the tax year in which the exemption and payments are to end.