



H.B. 341

124th General Assembly
(As Introduced)

Reps. Metelsky, Barrett, Bocchieri, Cirelli, Coates, Distel, Flannery, Jerse, Jones, Lendrum, Patton, Rhine, Seitz

BILL SUMMARY

? Requires businesses violating enterprise zone tax exemption agreements to repay exempted taxes.

CONTENT AND OPERATION

Enterprise zone agreements--generally

Counties, townships, and municipal corporations are authorized to grant property tax exemptions to businesses ("enterprises") to encourage local investment and employment. Tax exemptions may be granted primarily for newly built real property and for new tangible personal property (i.e., machinery, equipment, inventory).

The tax exemptions are granted in agreements between the subdivision and an enterprise. The agreements must include certain provisions prescribed by law, including the following:

- ? The property to be exempted, the extent of the exemption, and the term of the exemption.
- ? A requirement that nonexempted taxes be paid.
- ? An affirmation that the enterprise does not owe any delinquent Ohio taxes.
- ? A requirement that the enterprise file requested information with the local tax incentive review council (a local oversight body).
- ? An option permitting the subdivision to terminate or modify the agreement if it is determined that the enterprise has failed to fulfill its

obligations under the agreement (e.g., it fell short of its investment or employment target) or has fraudulently affirmed that it owed no delinquent Ohio taxes.

- ? A requirement that the tax exemption be revoked if the enterprise is ineligible for the agreement because it previously ceased operations while it was receiving a tax exemption.

Repayment of exempted taxes is required rather than optional

Under either of the latter two provisions, a subdivision and enterprise may add a stipulation that the enterprise must repay taxes exempted under the agreement if the provision is triggered because the enterprise did not fulfill its obligations, fraudulently affirmed that it owed no delinquent Ohio taxes, or was ineligible for the agreement.

Under the bill, repayment of the exempted taxes would be required by law, rather than an optional stipulation of the agreement.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	08-07-01	p. 812

h0341-i.124/kl