



Ohio Legislative Service Commission

Bill Analysis

Joseph Heller

S.B. 109

128th General Assembly
(As Introduced)

Sens. Gibbs, Schaffer, Grendell

BILL SUMMARY

- Exempts from property taxation the increase in the assessed value of land that is developed for residential single-family dwellings while owned by or in the possession of a developer.

CONTENT AND OPERATION

Developer real property tax exemption

(R.C. 5709.29)

The bill exempts from the property taxation the increase in the assessed value of "qualified residential property" owned by a developer until the developer transfers possession or title to another developer or person. Qualified residential property includes land where one or more single-family homes have been or will be built, and includes wholly or partly constructed dwellings and appurtenant improvements to the land.

The exemption begins with the first year following the year in which the developer acquires possession or title to the property, and ends with the year in which the developer transfers possession or title to the property, including through lease or installment contract. No exemption may begin before the year after the bill takes effect, and any exemption is for the increase in assessed value of property from the year the bill takes effect, even if a developer acquired qualified property before that year.

Example

For purposes of this example, the enactment of the exemption takes effect in 2010. Developer acquires land in 2009 for \$100,000. The same year, after acquiring the

property, Developer builds a home on the land, and the assessed value increases to \$300,000. The home is empty and owned by Developer for the remainder of 2009, 2010, and 2011. In 2012, Developer rents the home to Tenant, and in 2013, sells the home to Buyer.

Under the bill, the increase of \$200,000 in the assessed value of the land is not exempt for tax years 2009 or 2010 because no exemption is authorized until the year after the year the bill takes effect. The first year the increase in the assessed value of \$200,000 is exempt is 2011; the original assessed value of the land, \$100,000, is not exempt. The last year of the exemption is 2012, the year in which Developer rents the home to Tenant. For tax years 2013 and after, the property is not exempt.

HISTORY

ACTION	DATE
Introduced	04-14-09

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