



Ohio Legislative Service Commission

Bill Analysis

Sam Benham

H.B. 536

129th General Assembly
(As Introduced)

Reps. Gerberry, Ashford, Fende, R. Hagan

BILL SUMMARY

- Authorizes township trustees to reduce the percentage or term of a property tax exemption granted to a business under a tax increment financing arrangement if the business does not create the number of new jobs it agreed to create.

CONTENT AND OPERATION

Tax increment financing agreements

Under continuing law, a board of township trustees may exempt from property taxes a certain percentage of any increases in the value of real property for up to 30 years under a tax increment financing arrangement (TIF). The township may exempt certain individual parcels or groups of parcels (parcel-by-parcel or "project" TIFs) or a collection of parcels in an "incentive district" TIF.

The bill allows a board of township trustees considering adoption of a parcel-by-parcel or incentive district TIF resolution to enter into an agreement with a business owner located on real property that would be tax-exempt under the resolution. The agreement would require the owner to hire a specified number of new employees at that place of business as a condition of the board's approval of the property tax exemption.¹ For an enforcement mechanism, the agreement may include a provision that allows the board to reduce the tax exemption percentage or the term of the exemption if the owner does not hire the agreed-upon number of employees. These

¹ The bill does not define "new employee."

reductions may be accomplished by subsequently adopted resolutions according to any circumstances that may be prescribed by the agreement.²

HISTORY

| ACTION | DATE |
|------------|----------|
| Introduced | 05-08-12 |

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² R.C. 5709.73.

