



Ohio Legislative Service Commission

Bill Analysis

Bethany Boyd

H.B. 56

130th General Assembly
(As Introduced)

Reps. Gerberry, Foley, Strahorn, Stebelton, Mallory, R. Hagan, Cera, Lundy, Rogers, Letson

BILL SUMMARY

- Authorizes a board of township trustees to enter into an agreement with a business that is or will be located on real property that will be subject to a tax increment financing arrangement (TIF) under which the business agrees to hire new employees as a condition for approval of the TIF.
- Authorizes the board to reduce the percentage or term of a property tax exemption granted to a business under a TIF 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 person that owns or operates a business that is or will be located on real property that would be tax-exempt under the TIF resolution. The agreement must 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. 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 new employees. These reductions may be accomplished by subsequent resolutions adopted by the board, according to any circumstances that may be prescribed by the agreement.¹

HISTORY

ACTION	DATE
Introduced	02-12-13

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¹ R.C. 5709.73.

