
LOCAL GOVERNMENT

- Authorizes a local government, under certain circumstances, to extend the term of a tax increment financing exemption for up to 30 additional years.
- Requires each county family and children first council to include a representative of the Department of Youth Services (DYS) or its designee, instead of a representative of the regional office of DHS.

Tax increment financing exemption extensions

(R.C. 5709.51, 5709.40, 5709.41, 5709.73, and 5709.78; Section 757.20)

Under current law, a county, township, or municipal corporation may adopt a resolution exempting certain property in a township from property taxation through a method known as tax increment financing (TIF). There are currently two types of TIF resolutions that a local government may adopt – either exempting individual parcels or groups of parcels, or exempting a collection of parcels in an “incentive district” (these are often referred to as a “project TIF” or an “incentive district TIF,” respectively).

All or a portion of the increased value of real property subject to a TIF is exempt from property tax for up to ten years or, with the approval of the school district, up to 30 years. School districts may condition their approval on receiving payments from the property owner compensating the district for forgone property taxes. In lieu of property taxes, the owner of TIF property is generally required to make service payments to the local government that designated the TIF, which generally uses those service payments to pay for infrastructure improvements related to the development of the TIF property.

The bill authorizes a county, township, or municipal corporation to extend the term of a project TIF exemption for up to 30 additional years, if certain conditions apply. Specifically, (1) service payments generated by the project TIF must have exceeded \$1.5 million in the year before the extension is adopted, and (2) the ordinance or resolution extending the term must provide for compensation to the affected school district for the amount of forgone taxes. In addition, for extensions approved after 2020, service payments must not have exceeded \$1.5 million in any year before the year preceding the extension. (When coupled with (1), above, this means that, for extensions approved after 2020, the TIF service payments must have increased to \$1.5 million in the year before the extension is approved from some lesser amount paid in each preceding year.) The bill authorizes an extension only for project TIF exemptions in effect for tax year 2019 or later.

Within 15 days after approving an extension, the county, township, or municipal corporation must send a copy of the local extension legislation to the Director of Development Services. (Under continuing law, local governments are required to certify new TIF legislation to the Director within the same amount of time.)

County family and children first councils

(R.C. 121.37)

Current law requires each board of county commissioners to establish a county family and children first council. Regarding council membership, the bill requires there be a representative of the Department of Youth Services (DYS) or an individual designated by DHS. This replaces a representative of the regional office of DHS, as required under current law.