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Office

H.B. 154
136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. D. Thomas and Glassburn

Andrew Little, Attorney

SUMMARY

- Extends school board approval requirements to residential improvements in community reinvestment areas.

DETAILED ANALYSIS

Community reinvestment areas

Continuing law allows a county, municipality, or limited home rule township to designate community reinvestment areas (CRAs) where increased property values from residential, commercial, or industrial development projects, whether for remodeling or new construction, may be exempted from property tax for a certain amount of time. Exemption percentages for commercial and industrial projects are set by agreement between the project owner and the local government that approved the CRA.

An agreement granting a CRA exemption to such a project that proposes to exempt more than 75% of the project's value must first be approved by the appropriate city, local, or exempted village school district unless exceptions are met. The exceptions apply if the board of education adopted a resolution waiving its right to approve such agreements or if the district will be compensated by the local authority or the project owner in an amount that would hold the district harmless for excess revenue forgone as a result of the exemption percentage above the 75% threshold. If the owner or local authority agrees to compensate the school district, it must make payments to any applicable joint vocational school district (JVSD) at the same rate or amount and under the same terms received by the city, local, or exempted village school district.¹

Residential projects in CRAs receive a uniform exemption percentage, set in the resolution or ordinance approving the CRA. And residential property owners are currently able to obtain an

¹ R.C. 3735.671(A)(2) and (3), not in the bill.

exemption by applying only to a local “housing officer” designated by the local authority. The housing officer verifies that a project qualifies for the exemption and forwards notice to the county auditor to apply the exemption. The bill, however, extends school board approval requirements to residential CRA projects, subject to the same exemptions to school board approval and JVSD compensation as apply for commercial and industrial projects. Under the bill, the housing officer forwards applications for residential projects to the school board for approval after determining the applicant meets all qualifications for an exemption.²

HISTORY

Action	Date
Introduced	03-06-25

ANHB0154IN-136/ar

² R.C. 3735.67; R.C. 3735.671(A) and (B), not in the bill.