

AGRICULTURAL SECURITY AREA

Tax Exemption Agreement

Instructions: This is a sample tax exemption agreement resolution drafted by the County Commissioners Association of Ohio (CCAO), in cooperation with the Ohio Department of Agriculture, for use by boards of county commissioners and boards of township trustees that grant tax exemptions under House Bill 414 of the 125th General Assembly.

TAX EXEMPTION AGREEMENT FOR QUALIFYING AGRICULTURAL REAL PROPERTY LOCATED ON LAND WITHIN AN AGRICULTURAL SECURITY AREA ESTABLISHED UNDER CHAPTER 931 OF THE OHIO REVISED CODE

M. _____ moved the adoption

of the following resolution:

WHEREAS, House Bill 414 of the 125th General Assembly allows for the exemption from property taxation of a building, structure, improvement or fixture that is used exclusively for agricultural purposes, is located on land enrolled in an agricultural security area established under Chapter 931 of the Ohio Revised Code, and has a true value in money of \$25,000 or more; and

WHEREAS, _____ (name of applicant) _____ of

_____ (address of applicant) _____

has applied to the Board of Commissioners of _____ County

and the Board of Township Trustees of _____ Township for a

tax exemption for this qualifying agricultural real property; and

WHEREAS, the Board of Commissioners of _____ County and the Board of Trustees of _____ Township have conferred with each other in accordance with Ohio Revised Code section 5709.28 and reached an agreement; and

WHEREAS, the building, fixture, structure or improvement located at

meets the qualifications of Ohio Revised Code section 5709.28 for qualifying agricultural real property and the application for exemption has been approved by the Board of Commissioners of _____ County and the Board of Trustees of _____ Township; therefore be it

RESOLVED; that the Board of Commissioners of _____ County hereby approves a tax exemption of ____ (up to 75%) _____ of the taxable value of the qualifying agricultural real property; and be it further

RESOLVED, that maximum monetary value to be subject to the exemption is _____, which is ____ (up to 100%) _____ % of the total monetary value of the property; and be it further

RESOLVED, that this qualifying agricultural real property shall first become exempted in tax year _____ which is the year following the year in which the construction of the property will be completed; and be it further

RESOLVED, that this tax exemption shall continue to be in force for a total of _____ years; and be it further

RESOLVED, that this exemption may extend past the scheduled expiration date of the period of enrollment in the agricultural security areas (ASA) for the land on which the exempted property is located, provided that the enrollment of the land in the ASA is renewed and otherwise continues during the tax years in which this exemption will apply; and be it further

Note: The clause in italics below is optional and may be included or not included in the resolution at the discretion of each board of county commissioners or board of township trustees.

RESOLVED, that subsequent to the effective date of this agreement the owner of the qualifying agricultural real property may request the Board of Commissioners of _____ County and the Board of Trustees of _____ Township to alter the agreement and increase the maximum value of the property to which the exemption applies; and be it further

RESOLVED, that this agreement shall be reviewed annually by the Tax Incentive Review Council of _____ County in accordance with Ohio Revised Code section 5709.85; and be it further

RESOLVED, that the Auditor of _____ County, in accordance with Ohio Revised Code section 5709.85, shall enter the qualifying agricultural real property described in this resolution on the list of property described in Ohio Revised Code section 5713.07; and be it further

RESOLVED, that an application under Ohio Revised Code section 5715.27 shall not be required with respect to the tax exemption granted in this resolution; and be it further

RESOLVED, that the Auditor of _____ County shall remove this qualifying agricultural real property from the list of property described in Ohio Revised Code section 5713.07 if the Auditor discovers, or is notified in accordance with Ohio Revised Code section 931.07 that a withdrawal, removal or conversion of land from the agricultural security area on which this qualifying agricultural real property is located has occurred in a way that renders this property no longer eligible for exemption; and be it further

RESOLVED, that if the Auditor of _____ County removes the property from the list of property that is exempt from taxation and the owner of the removed property claimed a tax exemption that was established by this resolution for a prior tax year, the amount of tax otherwise imposed on the property shall be increased; and be it further

RESOLVED, that the amount of that tax increase shall equal the aggregate value of the tax exemption received by the taxpayer since the agricultural security area was most recently approved for establishment or renewal, as applicable, plus interest on that amount at the average bank prime rate, as determined under Ohio Revised Code section 929.02, at the time the Auditor removes the property from the list of property that is exempt from taxation; and be it finally

RESOLVED, that copies of this resolution shall be sent to the Auditor of _____ County, the Office of Farmland Preservation of the Ohio Department of Agriculture, the County Commissioners Association of Ohio (CCAO) and the Superintendent of Schools of each school district located within the agricultural security area (ASA) in which the qualifying agricultural real property is located.

M. _____ seconded the resolution and the roll call was follows:

Adopted:

August 18th, 2005