

Publications

Ohio Local Governments Have New Opportunities to Extend Certain TIF Exemptions

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CLIENT ALERT | 10.2.2023

Due to amendments made by Amended Substitute House Bill 33 (H.B. 33), the State's biennial operating budget, Ohio municipalities, townships and counties will have two new opportunities to extend certain tax increment financing (TIF) exemptions by up to 30 years beginning on October 3rd. The new opportunities apply to TIFs established under Ohio Revised Code (ORC) Sections 5709.40(B), 5709.41, 5709.73(B) and 5709.78(A), although one opportunity will expire at the end of December.

Limited Time Opportunity to Extend Eligible TIFs

From October 3rd until December 31st, eligible TIFs that generated at least \$1,500,000 in TIF service payments in 2022 and other prior years can be extended by up to 30 years. Previously, local governments were only allowed to extend an eligible TIF exemption if TIF service payments exceeded \$1,500,000 million in the prior year, but not in any other previous year. Now, local governments have the chance to extend eligible TIFs if the initial opportunity was missed. As of January 1st, 2024, the statutory language reverts back to the more restrictive version by again requiring that the TIF service payments must not have exceeded \$1,500,000 in any year except the prior year.

Ongoing Opportunity to Extend Eligible TIFs

H.B. 33 also made an amendment that allows for an ongoing opportunity of an extension if a TIF has not reached \$1,500,000 in annual TIF service payments, but is expected to do so in the future. Local governments can now extend eligible TIFs by up to 30 additional years if the local government makes a determination that the TIF will exceed \$1,500,000 in any future year. It is not clear from the statutory language what type of determination must be made or what occurs if \$1,500,000 is never exceeded.

It is important to note that if a TIF exemption is extended under either method above, the school district is required to receive compensation equal to the same amounts it otherwise would have received if there

were no TIF exemption (this is commonly referred to as a “non-school TIF”) during the extended period.

Vorys encourages you to contact your Vorys attorney or advisor with questions about these changes to Ohio's TIF law. Please feel free to contact the following Vorys attorneys: Scott Ziance, 614.464.8287, sziance@vorys.com; Aaron Berke, 330.208.1017, asberke@vorys.com; Chris Knezevic, 614.464.5627, cjknezevic@vorys.com; Sean Byrne, 614.464.8247, spbyrne@vorys.com; Jon Stock, 614.464.5647, jkstock@vorys.com or Elissa Wilson, 614.464.6224, rewilson@vorys.com.