

Portage County Property Tax Incentive Programs

For more information, contact:

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Portage County participates in two programs, which provide property tax incentives to encourage capital investment and job creation by new and expanding businesses. Enterprise Zones provide tax exemptions for both real and personal property. Community Reinvestment Areas provide tax exemption for real property only.

Enterprise Zones

Portage County Enterprise Zones are designated as limited authority, non-distressed zones. Property tax exemptions of up to 75% in municipalities and up to 60% in unincorporated areas are allowed on new real and personal property taxes for up to ten years. *Exceptions are permitted with approval from the local school district. The director of the Portage County Office of Economic Development (PCOED) serves as Enterprise Zone Manager. *Up to 15 years.

Portage County Enterprise Zone Agreements

There are approximately 70 active agreements in Portage County. Information about all Ohio Enterprise Zone agreements is listed on the Ohio Department of Development's web site.

Portage County Communities with Enterprise Zones		
<u>Cities</u>	<u>Villages</u>	<u>Townships</u>
*Aurora	*Garrettsville	*Brimfield
*Kent	Mogadore	*Rootstown
*Streetsboro	Mantua	*Ravenna
*Ravenna	Windham	Shalersville
*Tallmadge	Hiram	Mantua
*These communities also have Community Reinvestment Areas		

Enterprise Zone Process

The business must submit an Ohio Enterprise Zone Program Proposed Agreement (application) along with a check for the \$750.00 application fee made payable to the Ohio Department of Development (ODOD) to the local community. Incentive levels and terms of agreement are negotiated on a project-by-project basis with the local community officials. After negotiations are complete, the local community and business enter into a formal agreement, which must be approved by the Portage County Commissioners **prior** to starting the project.

The affected school board (s) must be notified of the tax exemption request a minimum of 14 days prior to a local government taking formal action. Agreements, which exceed the maximum incentives, must give the school board (s) no less than 45 business days notice. The notice must include a copy of the Proposed Agreement (application) and disclose the date, time and place of each review meeting. The Portage County Commissioners must also give notice prior to consideration. Both notifications may be given at the same time provided the local community uses the dual notification language provided by PCOED. In the event dual notification language is not used, PCOED provides the appropriate notice, 14 days or 45 business days, to the affected school district (s) on behalf of the County Commissioners.

To receive the tax exemptions granted in the enterprise zone agreement, businesses must file form DTE 24 for real property and the current form 913EX with their 920 or 945 personal property tax form. Administration, monitoring and technical assistance is provided by the Portage County Office of Economic Development. For example, PCOED has a computerized property tax impact mode, which projects property taxes and tax exemptions for a ten-year period.

Restrictions

Intrastate Relocation

Ohio businesses relocating to non-distressed based Enterprise Zones are prohibited from receiving tax exemptions without a waiver from the Director of the Ohio Department of Development. Waiver requirements include:

Business cannot physically expand at the current site to the extent necessary for the proposed project.

Market conditions such as just-in-time supply, changes in production methods, changes in special contract provisions, or ownership changes that require a relocation of the facility for it to remain viable.

Business is subject to a consolidation of two or more existing facilities and meets one of the following standards:

- At least one of the facilities involved in the consolidation is not an Ohio Operation and the project would result in at least a 25% increase in the existing employment, and at least a 25% increase in the existing value of the businesses real or personal property at the site.
- All of the facilities involved in the consolidation are located in Ohio and the project results in at least 25% increase in the existing Ohio employment, and at least a 50% increase in the existing values of real or personal property of the Ohio facilities involved in the relocation.

Second Enterprise Zone Agreement

A business which has previously entered into an Enterprise Zone Agreement with a local jurisdiction, but within five years of the expiration of the previous agreement, seeks to relocate all or any portion of the employment positions or assets to another project site is prohibited from entering into a new Enterprise Zone Agreement with the new local jurisdiction unless the Ohio Department of Development Director issues a waiver. The conditions necessary to justify a waiver are the same as intrastate relocations.

Enterprise Zone Annual Monitoring

Each Enterprise Zone in Portage County has a Tax Incentive Review Council (TIRC). The purpose of the TIRC is to perform an annual review of the terms and conditions of the each agreement to determine compliance and make recommendations to the local legislative authority. The TIRC's are composed of the following: a) three members appointed by the board of county commissioners; b) two members appointed by the local legislative authority; c) the county auditor or the designee; d) individuals appointed by the local board of education and vocational school district. Each designated Ohio Enterprise Zone must report annually by March 31st. to the Ohio Department of Development regarding the status of all zone activities and conditions as of December 31st. of the previous calendar year. Communities who do not meet this reporting deadline are subject to a monthly penalty of \$1000 until compliance is attained.

Each January, PCOED distributes project-monitoring forms to each business and local community having active Enterprise Zone Agreements in Portage County. The forms must be completed and returned to PCOED in a timely manner (deadline is on the form). PCOED and the Portage County Auditor's office provide assistance as needed by the businesses in completing the forms. Information must be complete. Additionally, businesses are required to provide a copy of their most recent Personal Property Tax Return to the appropriate Tax Incentive Review Council. Results of annual monitoring are posted on the Ohio Department of Development's Web Site at www.odod.state.oh.us/ez/base/.

Monitoring Fee

To help offset the costs associated with monitoring enterprise zone agreements, Ohio Enterprise Zone law established annual monitoring fees ranging from a minimum of \$500 up to a maximum of \$2500 (based on a percent of benefits) for each agreement entered into after July 22, 1994. The Portage County Commissioners established a flat fee of \$500.00 for each new agreement required to be monitored. In the first quarter of each year PCOED invoices each businesses subject to the annual monitoring fee. Checks are made payable to the Portage County Treasurer.

Community Reinvestment Areas

Community Reinvestment Areas (CRA's) Created prior to July 22, 1994 permits 100% exemption of real property taxes for up to fifteen years. The number of years is set when each CRA is established and varies from community to community. Application is made after construction has been completed. The Director of the Portage County Regional Planning Commission (330) 297-3613 provides administration of CRA's in unincorporated areas. The city or village establishing the CRA provides administration in incorporated areas. Waiver requirements do not apply. See the table above for Portage County communities with an active CRA. New Community Reinvestment Areas, created after July 22, 1994, require negotiated agreements similar to enterprise zones. . For more information, contact The Portage County Office of Economic Development Phone: (330) 297-3470 Fax: (330) 297-3472 E-mail: pcoed@neo.rr.com .