

Bond Case Briefs

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TAX - OHIO

Fairfield Township Board of Trustees v. Testa

Supreme Court of Ohio - June 21, 2018 - N.E.3d - 2018 WL 3062413 - 2018 -Ohio- 2381

Township sought judicial review of a decision of the Board of Tax Appeals affirming tax commissioner's determination that a tax-increment financing (TIF) exemption was subordinate to property owner's house-of-worship exemption.

The Supreme Court of Ohio held that:

- Owner's house-of-worship exemption controlled over real covenant concerning service payments related to TIF exemption, and
- Township lacked standing to raise as-applied constitutional challenge to statute governing priority of tax exemptions.

Property owner's exemption from taxation as a house of worship controlled over a real covenant concerning service payments owed to township in connection with a tax-increment financing (TIF) exemption; statute governing priority of tax exemptions granted priority to the house-of-worship exemption and invalidated any requirement that the service payments be made, so that the real covenant was unenforceable as against public policy.

Township lacked standing to raise an as-applied challenge to the constitutionality of statute governing priority of tax exemptions on ground that the statute interfered with township's contractual right to service payments in connection with a tax-increment financing (TIF) exemption, where township failed to take action under the statute to preserve its right to service payments, so that township was injured by its own omissions rather than by operation of the statute itself.