

Am. Sub. H.B. 166
As Passed by the Senate

_____ moved to amend as follows:

In line 14 of the title, after "317.321," insert "319.302,"; 1
after "323.151," insert "323.155,"

In line 150 of the title, after "195.02," insert "323.18," 2

In line 232, after "317.321," insert "319.302,"; after 3
"323.151, insert "323.155," 4

In line 331, after "195.02," insert "323.18," 5

After line 10995, insert: 6

"**Sec. 319.302.** (A)(1) Real property that is not intended 7
primarily for use in a business activity shall qualify for a 8
partial exemption from real property taxation. For purposes of 9
this partial exemption, "business activity" includes all uses of 10
real property, except farming; leasing property for farming; 11
occupying or holding property improved with single-family, 12
two-family, or three-family dwellings; leasing property improved 13
with single-family, two-family, or three-family dwellings; or 14
holding vacant land that the county auditor determines will be 15
used for farming or to develop single-family, two-family, or 16
three-family dwellings. For purposes of this partial exemption, 17
"farming" does not include land used for the commercial production 18
of timber that is receiving the tax benefit under section 5713.23 19

or 5713.31 of the Revised Code and all improvements connected with 20
such commercial production of timber. 21

(2) Each year, the county auditor shall review each parcel of 22
real property to determine whether it qualifies for the partial 23
exemption provided for by this section as of the first day of 24
January of the current tax year. 25

(B) After complying with section 319.301 of the Revised Code, 26
the county auditor shall reduce the remaining sums to be levied by 27
qualifying levies against each parcel of real property that is 28
listed on the general tax list and duplicate of real and public 29
utility property for the current tax year and that qualifies for 30
partial exemption under division (A) of this section, and against 31
each manufactured and mobile home that is taxed pursuant to 32
division (D)(2) of section 4503.06 of the Revised Code and that is 33
on the manufactured home tax list for the current tax year, by ten 34
per cent, to provide a partial exemption for that parcel or home. 35
For the purposes of this division: 36

(1) "Qualifying levy" means a levy approved at an election 37
held before September 29, 2013; a levy within the ten-mill 38
limitation; a levy provided for by the charter of a municipal 39
corporation that was levied on the tax list for tax year 2013; a 40
subsequent renewal of any such levy; or a subsequent substitute 41
for such a levy under section 5705.199 of the Revised Code. 42

(2) "Qualifying levy" does not include any replacement 43
imposed under section 5705.192 of the Revised Code of any levy 44
described in division (B)(1) of this section. 45

(C) Except as otherwise provided in sections 323.152, 46
323.158, 323.18, 505.06, and 715.263 of the Revised Code, the 47
amount of the taxes remaining after any such reduction shall be 48
the real and public utility property taxes charged and payable on 49

each parcel of real property, including property that does not 50
 qualify for partial exemption under division (A) of this section, 51
 and the manufactured home tax charged and payable on each 52
 manufactured or mobile home, and shall be the amounts certified to 53
 the county treasurer for collection. Upon receipt of the real and 54
 public utility property tax duplicate, the treasurer shall certify 55
 to the tax commissioner the total amount by which the real 56
 property taxes were reduced under this section, as shown on the 57
 duplicate. Such reduction shall not directly or indirectly affect 58
 the determination of the principal amount of notes that may be 59
 issued in anticipation of any tax levies or the amount of bonds or 60
 notes for any planned improvements. If after application of 61
 sections 5705.31 and 5705.32 of the Revised Code and other 62
 applicable provisions of law, including divisions (F) and (I) of 63
 section 321.24 of the Revised Code, there would be insufficient 64
 funds for payment of debt charges on bonds or notes payable from 65
 taxes reduced by this section, the reduction of taxes provided for 66
 in this section shall be adjusted to the extent necessary to 67
 provide funds from such taxes. 68

(D) The tax commissioner may adopt rules governing the 69
 administration of the partial exemption provided for by this 70
 section. 71

(E) The determination of whether property qualifies for 72
 partial exemption under division (A) of this section is solely for 73
 the purpose of allowing the partial exemption under division (B) 74
 of this section." 75

After line 11283, insert: 76

"**Sec. 323.155.** The tax bill prescribed under section 323.131 77
 of the Revised Code shall indicate the net amount of taxes due 78
 following the reductions in taxes under sections 319.301, 319.302, 79

~~and~~ 323.152, and 323.18 of the Revised Code. 80

Any reduction in taxes under section 323.152 of the Revised 81
Code shall be disregarded as income or resources in determining 82
eligibility for any program or calculating any payment under Title 83
LI of the Revised Code. 84

Sec. 323.18. (A) As used in this section: 85

(1) A school district's "operating expenditure per pupil" 86
means the total amount of revenue from state and federal sources 87
spent by the district for operating expenses during the preceding 88
fiscal year, divided by the district's average daily student 89
enrollment as reported on the most recent report card issued for 90
each district under section 3302.03 of the Revised Code. 91

(2) "Statewide average operating expenditure per pupil" means 92
the sum of the operating expenditure per pupil of all school 93
districts in the state, divided by the total number of school 94
districts in the state. 95

(3) "Qualifying area" means any territory within both of the 96
following: 97

(a) A school district with a formula ADM, as that term is 98
defined in section 3317.02 of the Revised Code, of at least one 99
thousand three hundred students and with an operating expenditure 100
per pupil that is at least six thousand five hundred dollars 101
greater than the statewide average operating expenditure per 102
pupil; 103

(b) A village. 104

(4) "School district taxes charged and payable" means the 105
taxes charged and payable from taxes levied by a school district 106
on property located in a qualifying area and extended on the real 107

and public utility property tax list, after making the reduction 108
required by section 319.301 of the Revised Code but before the 109
reductions required by this section or section 319.302 or 323.152 110
of the Revised Code, and excluding levies charged for the purpose 111
of paying debt charges. 112

(5) "School district" means a city, local, or exempted 113
village school district as defined in sections 3311.02, 3311.03, 114
and 3311.04 of the Revised Code. 115

(B) Real property located within a qualifying area qualifies 116
for a partial exemption from real property taxation under this 117
section. On or before the first day of August of each year, the 118
county auditor shall determine the amount of the exemption to be 119
applied to each parcel of such real property, which shall be 120
computed as a reduction in taxes as follows: 121

(1) First, the auditor shall determine the "total qualifying 122
area reduction," which shall equal the difference obtained by 123
subtracting the amount described in division (B)(1)(b) of this 124
section from the amount described in division (B)(1)(a) of this 125
section: 126

(a) The total school district taxes charged and payable in 127
the qualifying area; 128

(b) The product obtained by multiplying (i) four times the 129
number of students residing in the qualifying area that are 130
enrolled in the school district located in the qualifying area by 131
(ii) the operating expenditure per pupil for the district. 132

(2) Second, the auditor shall determine the amount of the 133
reduction to be applied to each parcel, which shall equal the 134
product obtained by multiplying the amount described in division 135
(B)(2)(a) of this section by the amount described in division 136

(B)(2)(b) of this section: 137

(a) The total qualifying area reduction: 138

(b) A fraction, the numerator of which is the school district taxes charged and payable on the parcel for the tax year, and the denominator of which is the total school district taxes charged and payable in the qualifying area. 139
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(C) The county auditor shall enter the amount of the reduction for each parcel on the general tax list of real and public utility property. 143
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(D) Upon making the settlement of taxes collected on the general tax list and distributing the proceeds thereof, the county auditor and county treasurer shall apply the reduction authorized in this section only to the taxes distributed to the school district in the qualifying area. All other subdivisions in the qualifying area shall receive the same tax distribution as those subdivisions would have received without regard to the reduction. Upon receipt of tax distributions from the county treasurer, the treasurer of a school district for which taxes are reduced under this section shall reduce the amount of taxes credited to each of the school district's funds, other than bond retirement or other funds established for the payment of debt charges, in proportion to the amount of taxes otherwise payable to each of those funds." 146
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In line 82822, after "317.321," insert "319.302,;" after "323.151," insert "323.155," 159
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After line 97573, insert: 161

"**Section 757.**____. The amendment or enactment by this act of sections 319.302, 323.155, and 323.18 of the Revised Code applies to tax year 2019 and thereafter." 162
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The motion was _____ agreed to.

SYNOPSIS

School district property tax reduction for certain property	165
R.C. 319.302, 323.155, and 323.18; Section 757.____	166
Authorizes a property tax reduction for certain property	167
owners whose taxes comprise a relatively high proportion of a	168
school district's operating expenses. To qualify, the property	169
must be located in both a village and in a school district with an	170
enrollment of at least 1,300 students (a "qualifying area"). The	171
provision caps the amount of school district property taxes paid	172
by the property owners in the qualifying area at four times the	173
operating expenses the district paid in the previous year on	174
account of the students who reside in the qualifying area.	175