

**As Introduced**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**H. B. No. 62**

**Representatives Patterson, Sheehy**

**Cosponsors: Representatives Rogers, Boccieri, Fedor, Antonio, Bishoff, O'Brien,  
Ashford, Leland, Ramos**

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**A BILL**

To amend sections 321.24, 939.01, and 939.02 and to 1  
enact section 5709.30 of the Revised Code to 2  
require the Director of Agriculture to adopt 3  
rules establishing the Ohio Water Quality 4  
Improvement Program, to exempt land enrolled in 5  
the Program from taxation, and to reimburse 6  
local taxing units for revenue lost due to that 7  
exemption. 8

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 321.24, 939.01, and 939.02 be 9  
amended and section 5709.30 of the Revised Code be enacted to 10  
read as follows: 11

**Sec. 321.24.** (A) On or before the fifteenth day of 12  
February, in each year, the county treasurer shall settle with 13  
the county auditor for all taxes and assessments that the 14  
treasurer has collected on the general duplicate of real and 15  
public utility property at the time of making the settlement. If 16  
the county treasurer has made or will make advance payments to 17  
the several taxing districts of current year unpaid taxes under 18

section 321.341 of the Revised Code before collecting them, the 19  
county treasurer shall take the advance payments into account 20  
for purposes of the settlement with the county auditor under 21  
this division. 22

(B) On or before the thirtieth day of June, in each year, 23  
the treasurer shall settle with the auditor for all advance 24  
payments of general personal and classified property taxes that 25  
the treasurer has received at the time of making the settlement. 26

(C) On or before the tenth day of August, in each year, 27  
the treasurer shall settle with the auditor for all taxes and 28  
assessments that the treasurer has collected on the general 29  
duplicates of real and public utility property at the time of 30  
making such settlement, not included in the preceding February 31  
settlement. If the county treasurer has made or will make 32  
advance payments to the several taxing districts of the current 33  
year delinquent taxes under section 321.341 of the Revised Code 34  
before collecting them, the county treasurer shall take the 35  
advance payments into account for purposes of the settlement 36  
with the county auditor under this division. 37

(D) On or before the thirty-first day of October, in each 38  
year, the treasurer shall settle with the auditor for all taxes 39  
that the treasurer has collected on the general personal and 40  
classified property duplicates, and for all advance payments of 41  
general personal and classified property taxes, not included in 42  
the preceding June settlement, that the treasurer has received 43  
at the time of making such settlement. 44

(E) In the event the time for the payment of taxes is 45  
extended, pursuant to section 323.17 of the Revised Code, the 46  
date on or before which settlement for the taxes so extended 47  
must be made, as herein prescribed, shall be deemed to be 48

extended for a like period of time. At each such settlement, the auditor shall allow to the treasurer, on the moneys received or collected and accounted for by the treasurer, the treasurer's fees, at the rate or percentage allowed by law, at a full settlement of the treasurer.

(F) Within thirty days after the day of each settlement of taxes required under divisions (A) and (C) of this section, the treasurer shall certify to the tax commissioner any adjustments that have been made to the amount certified previously pursuant to section 319.302 of the Revised Code and that the settlement has been completed. Upon receipt of such certification, the commissioner shall provide for payment to the county treasurer from the general revenue fund of an amount equal to one-half of the amount certified by the treasurer in the preceding tax year under section 319.302 of the Revised Code, less one-half of the amount computed for all taxing districts in that county for the current fiscal year under section 5703.80 of the Revised Code for crediting to the property tax administration fund. Such payment shall be credited upon receipt to the county's undivided income tax fund, and the county auditor shall transfer to the county general fund from the amount thereof the total amount of all fees and charges which the auditor and treasurer would have been authorized to receive had such section not been in effect and that amount had been levied and collected as taxes. The county auditor shall distribute the amount remaining among the various taxing districts in the county as if it had been levied, collected, and settled as real property taxes. The amount distributed to each taxing district shall be reduced by the total of the amounts computed for the district under section 5703.80 of the Revised Code, but the reduction shall not exceed the amount that otherwise would be distributed to the taxing

district under this division. The tax commissioner shall make 80  
available to taxing districts such information as is sufficient 81  
for a taxing district to be able to determine the amount of the 82  
reduction in its distribution under this section. 83

(G) ~~(1)~~ Within thirty days after ~~the day of the a~~ 84  
~~settlement required in division (D) of taxes under divisions (A)~~ 85  
~~and (C) of this section, the county treasurer shall notify~~ 86  
~~certify to the tax commissioner that the settlement has been~~ 87  
~~completed one-half of the difference obtained by subtracting the~~ 88  
~~amount of tax assessed on property in the county appearing on~~ 89  
~~the tax list for the preceding tax year from the amount of tax~~ 90  
~~that would be assessed on property in the county that would~~ 91  
~~appear on the tax list for the preceding tax year but for the~~ 92  
~~exemption authorized under section 5709.30 of the Revised Code.~~ 93  
~~Upon receipt of that notification, the~~ The commissioner, within 94  
thirty days of receiving such a certification, shall provide for 95  
payment to the county treasurer, from the general revenue fund, 96  
of ~~an~~ the amount equal to the amount certified under former 97  
~~section 319.311 of the Revised Code and paid in the state's~~ 98  
~~fiscal year 2003 multiplied by the percentage specified in~~ 99  
~~division (G) (2) of this section. The payment, which shall be~~ 100  
credited upon receipt to the county's undivided income tax fund, ~~and~~ 101  
and. Immediately upon receipt of funds into that fund, the 102  
county auditor shall distribute ~~the amount thereof among the~~ 103  
~~various to each taxing districts of authority in the county as~~ 104  
~~if it had been levied, collected, and settled as personal~~ 105  
~~property taxes~~ an amount equal to one-half of the difference 106  
obtained by subtracting the amount of tax levied by the taxing 107  
authority and assessed on property in the county appearing on 108  
the tax list for the preceding tax year from the amount of tax 109  
levied by the taxing authority that would be assessed on 110

property in the county that would appear on the tax list for the 111  
preceding tax year but for the exemption authorized under 112  
section 5709.30 of the Revised Code. ~~The~~ Any amount received by 113  
a taxing ~~district~~ authority under this division shall be 114  
apportioned among its funds in the same proportion as the 115  
~~current~~ preceding tax year's ~~personal~~ property taxes are 116  
apportioned. 117

~~(2) Payments required under division (G) (1) of this~~ 118  
~~section shall be made at the following percentages of the amount~~ 119  
~~certified under former section 319.311 of the Revised Code and~~ 120  
~~paid under division (G) (1) of this section in the state's fiscal~~ 121  
~~year 2003:~~ 122

~~(a) In fiscal year 2004, ninety per cent;~~ 123

~~(b) In fiscal year 2005, eighty per cent;~~ 124

~~(c) In fiscal year 2006, sixty four per cent;~~ 125

~~(d) In fiscal year 2007, forty per cent;~~ 126

~~(e) In fiscal year 2008, thirty two per cent;~~ 127

~~(f) In fiscal year 2009, sixteen per cent.~~ 128

~~After fiscal year 2009, no payments shall be made under~~ 129  
~~division (G) (1) of this section.~~ 130

(H) (1) On or before the fifteenth day of April each year, 131  
the county treasurer shall settle with the county auditor for 132  
all manufactured home taxes that the county treasurer has 133  
collected on the manufactured home tax duplicate at the time of 134  
making the settlement. 135

(2) On or before the fifteenth day of September each year, 136  
the county treasurer shall settle with the county auditor for 137

all remaining manufactured home taxes that the county treasurer 138  
has collected on the manufactured home tax duplicate at the time 139  
of making the settlement. 140

(3) If the time for payment of such taxes is extended 141  
under section 4503.06 of the Revised Code, the time for making 142  
the settlement as prescribed by divisions (H) (1) and (2) of this 143  
section is extended for a like period of time. 144

(I) On or before the second Monday in September of each 145  
year, the county treasurer shall certify to the tax commissioner 146  
the total amount by which the manufactured home taxes levied in 147  
that year were reduced pursuant to section 319.302 of the 148  
Revised Code. Within ninety days after the receipt of such 149  
certification, the commissioner shall provide for payment to the 150  
county treasurer from the general revenue fund of an amount 151  
equal to the amount certified by the treasurer. Such payment 152  
shall be credited upon receipt to the county's undivided income 153  
tax fund, and the county auditor shall transfer to the county 154  
general fund from the amount thereof the total amount of all 155  
fees and charges that the auditor and treasurer would have been 156  
authorized to receive had such section not been in effect and 157  
that amount had been levied and collected as manufactured home 158  
taxes. The county auditor shall distribute the amount remaining 159  
among the various taxing districts in the county as if it had 160  
been levied, collected, and settled as manufactured home taxes. 161

**Sec. 939.01.** As used in this chapter: 162

(A) "Agricultural pollution" means failure to use 163  
management or conservation practices in farming operations to 164  
abate wind or water erosion of the soil or to abate the 165  
degradation of the waters of the state by residual farm 166  
products, manure, or soil sediment, including attached 167

substances.	168
(B) "Animal feeding operation" means the production area,	169
as defined in section 903.01 of the Revised Code, of an	170
agricultural operation where agricultural animals are kept and	171
raised in confined areas. "Animal feeding operation" does not	172
include a facility that possesses a permit issued under Chapter	173
903. or division (J) of section 6111.03 of the Revised Code.	174
(C) "Best management practices" means practices or a	175
combination of practices that are determined to be the most	176
effective and practicable means of preventing or reducing	177
agricultural pollution sources to a level compatible with the	178
attainment of applicable water quality standards. "Best	179
management practices" includes structural and nonstructural	180
practices, conservation practices, and operation and maintenance	181
procedures.	182
(D) "Composting" means the controlled decomposition of	183
organic solid material consisting of dead animals that	184
stabilizes the organic fraction of the material.	185
(E) "Conservation" means the wise use and management of	186
natural resources.	187
(F) <u>"Conservation reserve program" means the federal</u>	188
<u>conservation reserve program that is established under 16 U.S.C.</u>	189
<u>3831 and administered by the United States department of</u>	190
<u>agriculture, and that provides benefits to a landowner in</u>	191
<u>exchange for the landowner removing land from agricultural</u>	192
<u>production and planting species to improve water quality.</u>	193
<u>(G)</u> "Manure" means animal excreta.	194
<del>(G)</del> <u>(H)</u> "Ohio soil and water conservation commission"	195
means the Ohio soil and water conservation commission	196

established in section 940.02 of the Revised Code.	197
<del>(H)</del> <u>(I)</u> "Operation and management plan" means a written record, developed or approved by the director of agriculture, the director's designee, or the board of supervisors of a soil and water conservation district, for the owner or operator of agricultural land or an animal feeding operation that contains both of the following:	198 199 200 201 202 203
(1) Implementation schedules and operational procedures for a level of management and pollution abatement practices that will abate the degradation of the waters of the state by residual farm products, manure, and soil sediment, including attached pollutants;	204 205 206 207 208
(2) Best management practices that are to be used by the owner or operator.	209 210
<del>(I)</del> <u>(J)</u> "Pollution abatement practice" means any erosion control, residual farm products, or manure pollution abatement facility, structure, or procedure and the operation and management associated with it as contained in an operation and management plan.	211 212 213 214 215
<del>(J)</del> <u>(K)</u> "Residual farm products" means bedding, wash waters, waste feed, and silage drainage. "Residual farm products" also includes the compost products resulting from the composting of dead animals in operations subject to section 939.04 of the Revised Code when either of the following applies:	216 217 218 219 220
(1) The composting is conducted by the person who raises the animals and the compost product is used in agricultural operations owned or operated by that person regardless of whether the person owns the animals.	221 222 223 224
(2) The composting is conducted by the person who owns the	225



animals, but does not raise them and the compost product is used 226  
in agricultural operations either by a person who raises the 227  
animals or by a person who raises grain that is used to feed 228  
them and that is supplied by the owner of the animals. 229

~~(K)~~ (L) "Soil and water conservation district" has the 230  
same meaning as in section 940.01 of the Revised Code. 231

~~(L)~~ (M) "Waters of the state" means all streams, lakes, 232  
ponds, wetlands, watercourses, waterways, wells, springs, 233  
irrigation systems, drainage systems, and other bodies or 234  
accumulations of water, surface and underground, natural or 235  
artificial, regardless of the depth of the strata in which 236  
underground water is located, that are situated wholly or partly 237  
within, or border on, this state or are within its jurisdiction, 238  
except those private waters that do not combine or effect a 239  
junction with natural surface or underground waters. 240

**Sec. 939.02.** The director of agriculture shall do all of 241  
the following: 242

(A) Provide administrative leadership to soil and water 243  
conservation districts in planning, budgeting, staffing, and 244  
administering district programs and the training of district 245  
supervisors and personnel in their duties, responsibilities, and 246  
authorities as prescribed in this chapter and Chapter 940. of 247  
the Revised Code; 248

(B) Administer this chapter and Chapter 940. of the 249  
Revised Code pertaining to state responsibilities and provide 250  
staff assistance to the Ohio soil and water conservation 251  
commission in exercising its statutory responsibilities; 252

(C) Assist in expediting state responsibilities for 253  
watershed development and other natural resource conservation 254

works of improvement;	255
(D) Coordinate the development and implementation of	256
cooperative programs and working agreements between soil and	257
water conservation districts and the department of agriculture	258
or other agencies of local, state, and federal government;	259
(E) Subject to the approval of the Ohio soil and water	260
conservation commission, adopt rules in accordance with Chapter	261
119. of the Revised Code that do or comply with all of the	262
following:	263
(1) Establish technically feasible and economically	264
reasonable standards to achieve a level of management and	265
conservation practices in farming operations that will abate	266
wind or water erosion of the soil or abate the degradation of	267
the waters of the state by residual farm products, manure, or	268
soil sediment, including attached substances, and establish	269
criteria for determination of the acceptability of such	270
management and conservation practices;	271
(2) Establish procedures for administration of rules for	272
agricultural pollution abatement and for enforcement of those	273
rules;	274
(3) Specify the pollution abatement practices eligible for	275
state cost sharing and determine the conditions for eligibility,	276
the construction standards and specifications, the useful life,	277
the maintenance requirements, and the limits of cost sharing for	278
those practices. Eligible practices shall be limited to	279
practices that address agricultural operations and that require	280
expenditures that are likely to exceed the economic returns to	281
the owner or operator and that abate soil erosion or degradation	282
of the waters of the state by residual farm products, manure, or	283

soil sediment, including attached pollutants.	284
(4) Establish procedures for administering grants to	285
owners or operators of agricultural land or animal feeding	286
operations for the implementation of operation and management	287
plans;	288
(5) Do both of the following with regard to composting	289
conducted in conjunction with agricultural operations:	290
(a) Establish methods, techniques, or practices for	291
composting dead animals, or particular types of dead animals,	292
that are to be used at such operations, as the director	293
considers to be necessary or appropriate;	294
(b) Establish requirements and procedures governing the	295
review and approval or disapproval of composting plans by the	296
supervisors of soil and water conservation districts under	297
division (R) of section 940.06 of the Revised Code.	298
(6) Establish best management practices for inclusion in	299
operation and management plans;	300
(7) Establish the amount of civil penalties assessed by	301
the director under division (B) of section 939.07 of the Revised	302
Code for violation of rules adopted under division (E) of this	303
section;	304
(8) Not conflict with air or water quality standards	305
adopted pursuant to section 3704.03 or 6111.041 of the Revised	306
Code. Compliance with rules adopted under this section does not	307
affect liability for noncompliance with air or water quality	308
standards adopted pursuant to section 3704.03 or 6111.041 of the	309
Revised Code. The application of a level of management and	310
conservation practices recommended under this section to control	311
windblown soil from farming operations creates a presumption of	312

compliance with section 3704.03 of the Revised Code as that 313  
section applies to windblown soil. 314

(F) Cost share with landowners on practices established 315  
pursuant to division (E)(3) of this section as moneys are 316  
appropriated and available for that purpose. Any practice for 317  
which cost share is provided shall be maintained for its useful 318  
life. Failure to maintain a cost share practice for its useful 319  
life shall subject the landowner to full repayment to the 320  
department. 321

(G) Employ field assistants and other employees that are 322  
necessary for the performance of the work prescribed by Chapter 323  
940. of the Revised Code, for performance of work of the 324  
department under this chapter, and as agreed to under working 325  
agreements or contractual arrangements with soil and water 326  
conservation districts, prescribe their duties, and fix their 327  
compensation in accordance with schedules that are provided by 328  
law for the compensation of state employees. All such employees 329  
of the department, unless specifically exempted by law, shall be 330  
employed subject to the classified civil service laws in force 331  
at the time of employment. 332

(H) In connection with new or relocated projects involving 333  
highways, underground cables, pipelines, railroads, and other 334  
improvements affecting soil and water resources, including 335  
surface and subsurface drainage: 336

(1) Provide engineering service that is mutually agreeable 337  
to the Ohio soil and water conservation commission and the 338  
director to aid in the design and installation of soil and water 339  
conservation practices as a necessary component of such 340  
projects; 341

(2) Maintain close liaison between the owners of lands on 342  
which the projects are executed, soil and water conservation 343  
districts, and authorities responsible for such projects; 344

(3) Review plans for such projects to ensure their 345  
compliance with standards developed under division (E) of this 346  
section in cooperation with the department of transportation or 347  
with any other interested agency that is engaged in soil or 348  
water conservation projects in the state in order to minimize 349  
adverse impacts on soil and water resources adjacent to or 350  
otherwise affected by these projects; 351

(4) Recommend measures to retard erosion and protect soil 352  
and water resources through the installation of water 353  
impoundment or other soil and water conservation practices; 354

(5) Cooperate with other agencies and subdivisions of the 355  
state to protect the agricultural status of rural lands adjacent 356  
to such projects and control adverse impacts on soil and water 357  
resources. 358

(I) Collect, analyze, inventory, and interpret all 359  
available information pertaining to the origin, distribution, 360  
extent, use, and conservation of the soil resources of the 361  
state; 362

(J) Prepare and maintain up-to-date reports, maps, and 363  
other materials pertaining to the soil resources of the state 364  
and their use and make that information available to 365  
governmental agencies, public officials, conservation entities, 366  
and the public; 367

(K) Provide soil and water conservation districts with 368  
technical assistance including on-site soil investigations and 369  
soil interpretation reports on the suitability or limitations of 370

soil to support a particular use or to plan soil conservation 371  
measures. The assistance shall be on terms that are mutually 372  
agreeable to the districts and the department of agriculture. 373

(L) Assist local government officials in utilizing land 374  
use planning and zoning, current agricultural use value 375  
assessment, development reviews, and land management activities; 376

(M) When necessary for the purposes of this chapter or 377  
Chapter 940. of the Revised Code, develop or approve operation 378  
and management plans. The director may designate an employee of 379  
the department to develop or approve operation and management 380  
plans in lieu of the director. 381

(N) Adopt rules in accordance with Chapter 119. of the 382  
Revised Code establishing a water quality improvement program 383  
that do all of the following: 384

(1) Require the director to develop, implement, and 385  
operate the program, to the extent possible, in a manner 386  
consistent with the development, implementation, and operation 387  
of the conservation reserve program as that program pertains to 388  
water quality; 389

(2) Require the applicable soil and water conservation 390  
district to assist a landowner who participates in the program 391  
when the landowner requests such assistance; 392

(3) Authorize a person to apply to the director, on forms 393  
furnished and prescribed by the director, to enroll land owned 394  
by the person in the water quality improvement program; 395

(4) Prescribe standards and criteria by which the director 396  
shall determine whether land is eligible to be enrolled in the 397  
program. The director shall ensure that the standards and 398  
criteria are consistent with the standards and criteria 399

prescribed under the conservation reserve program as that 400  
program pertains to determining whether land is eligible to be 401  
enrolled in the program. 402

Land enrolled in the water quality improvement program is 403  
exempt from taxation under section 5709.30 of the Revised Code. 404  
The director shall notify the tax commissioner if land ceases to 405  
be enrolled in the program. 406

This section does not restrict the manure of domestic or 407  
farm animals defecated on land outside an animal feeding 408  
operation or runoff from that land into the waters of the state. 409

**Sec. 5709.30.** Land enrolled in the water quality 410  
improvement program created under division (N) of section 939.02 411  
of the Revised Code on the first day of January of a tax year 412  
shall be exempt from taxation for that tax year. If land subject 413  
to the exemption for the preceding tax year is no longer 414  
enrolled in that program on the first day of the current tax 415  
year, a charge shall be levied on such land equal to the amount 416  
of tax that would have been levied on the land if it had not 417  
been exempted under this section for the tax year during which 418  
the land is removed from the program and the two preceding tax 419  
years. The charge is a lien of the state upon such land as of 420  
the first day of January of the tax year in which the charge is 421  
levied as provided in section 323.11 of the Revised Code. The 422  
auditor shall place the charge as a separate item on the tax 423  
list for the current tax year to be collected by the county 424  
treasurer in the same manner and at the same time as real 425  
property taxes levied against such land for the current calendar 426  
year are collected. 427

Upon the collection of any charge made under this section 428  
and any penalties and interest arising thereon, the county 429

auditor, after deducting all fees allowed on the collection of 430  
moneys on the tax list and duplicate, shall remit the full 431  
amount thereof to the treasurer of state, who shall credit the 432  
amount to the general revenue fund. 433

**Section 2.** That existing sections 321.24, 939.01, and 434  
939.02 of the Revised Code are hereby repealed. 435

**Section 3.** Section 321.24 of the Revised Code is presented 436  
in this act as a composite of the section as amended by both 437  
Sub. S.B. 353 of the 127th General Assembly and Am. Sub. H.B. 1 438  
of the 128th General Assembly. The General Assembly, applying 439  
the principle stated in division (B) of section 1.52 of the 440  
Revised Code that amendments are to be harmonized if reasonably 441  
capable of simultaneous operation, finds that the composite is 442  
the resulting version of the section in effect prior to the 443  
effective date of the section as presented in this act. 444