

AN ACT

To enact, subject to the approval of the people of the State of Ohio, sections 5739.029 and 5741.024 of the Revised Code to levy an additional one per cent sales and use tax, the proceeds of which must be used one-half for schools and one-half to provide property tax relief for homesteads, and to enact section 131.45 of the Revised Code to establish required levels of appropriations from the General Revenue Fund for primary and secondary education each year, and to make an appropriation.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 5739.029 and 5741.024 of the Revised Code be enacted to read as follows:

Sec. 5739.029. (A) Only if approved by the electors pursuant to House Bill No. 697 of the 122nd general assembly, there is hereby levied, beginning July 1, 1998, an excise tax of one per cent on each retail sale made in this state. One-half of the proceeds of the tax shall be credited to the school trust fund, which is hereby created in the state treasury, and shall be used solely for the purposes of paying costs of school operations, education technology, school facilities, and debt service for school facilities. One-half of the proceeds shall be credited to the property tax relief fund, which is hereby created in the state treasury, and shall be used solely to provide property tax relief for homesteads. The property tax relief provided each homestead shall be in addition to the ten per cent reduction and the two and one-half per cent reduction in the taxes charged against the homestead, as provided under section 319.302 and division (B) of section 323.152 Of the Revised Code. The tax hereby levied is in addition to the sales tax levied by section 5739.02 of the Revised Code, and is subject to the same exemptions and exceptions, and shall be imposed and collected pursuant to the same procedures, as that tax.

(B) The tax commissioner, by rule, shall prescribe schedules showing the amount of tax to be collected under this chapter and Chapter 5741. of the

Revised Code at each price level, and that amount of tax shall be collected notwithstanding section 5739.025 of the Revised Code. Section 5739.21 of the Revised Code does not apply to the tax levied by this section.

Sec. 5741.024. Only if approved by the electors pursuant to House Bill No. 697 of the 122nd general assembly, there is hereby levied, beginning July 1, 1998, an excise tax of one per cent on the storage, use, or other consumption in this state of tangible personal property or the benefit realized in this state of any service provided. One-half of the proceeds of the tax shall be credited to the school trust fund and shall be used solely for the purposes of paying costs of school operations, education technology, school facilities, and debt service for school facilities. One-half of the proceeds shall be credited to the property tax relief fund and shall be used solely to provide property tax relief for homesteads. The property tax relief provided each homestead shall be in addition to the ten per cent reduction and the two and one-half per cent reduction in the taxes charged against the homestead, as provided under section 319.302 and division (B) of section 323.152 Of the Revised Code. The tax hereby levied is in addition to the use tax levied by section 5741.02 of the Revised Code, and is subject to the same exemptions and exceptions, and shall be imposed and collected pursuant to the same procedures, as that tax. Section 5741.03 of the Revised Code does not apply to the tax levied by this section.

SECTION 2. Section 1 of this act shall take effect only if approved by a majority of the electors voting thereon, as provided in Section 3 of this act, as permitted by Section 26 of Article II, Ohio Constitution, because this act relates to public schools. If Section 1 of this act is not submitted to the electors at a special election on May 5, 1998, or if Section 1 of this act is not approved by a majority of the electors voting on the section at that special election, Sections 1, 2, 3, 4, and 5 of this act expire.

SECTION 3. After this act is signed by the Governor, it shall be filed with the Secretary of State not later than February 19, 1998. The Secretary of State shall submit to the electors of the entire state at a special election to be held on May 5, 1998, as a single proposal, approval of the enactment of sections 5739.029 and 5741.024 of the Revised Code as set forth within the purview of Section 1 of this act. The Secretary of State shall designate the proposal as the second issue submitted to the electors of the entire state at that election.

Notwithstanding section 3519.21 of the Revised Code, the title and

ballot language for the proposal shall be substantially as follows:

"EDUCATION LEGISLATION SUBJECT TO VOTER APPROVAL

(Proposed by the General Assembly of the State of Ohio)

Shall the provisions of House Bill 697 levying a statewide one per cent sales and use tax, to be used one-half for school operations, education technology, school facilities, and debt service for school facilities, and one-half for additional property tax relief for homesteads, be approved?

If approved, the tax shall take effect July 1, 1998.

A majority yes vote is necessary for passage.

Yes (To approve the tax)

No (To reject the tax)

"

The General Assembly by resolution shall designate a group of members who voted for H.B. 697 to prepare arguments for the proposal, and a group of members who voted against H.B. 697 to prepare arguments against the proposal. The arguments shall not exceed three hundred words each, and shall be filed with the Secretary of State not later than March 1, 1998. The ballot language and the arguments shall be available for public inspection in the Office of the Secretary of State.

The proposal, the ballot language, and the arguments shall be published once a week for three consecutive weeks preceding May 5, 1998, in at least one newspaper of general circulation in each county of the state where a newspaper is published.

If a majority of the votes cast on the proposal is in the affirmative, the proposal is approved and takes effect immediately.

SECTION 4. All items in this section are hereby appropriated as designated out of any moneys in the state treasury to the credit of the General Revenue Fund. For all appropriations made in this act, those in the first column are for fiscal year 1998 and those in the second column are for fiscal year 1999. The appropriations made in this act are in addition to any other appropriations made for the 1997-1999 biennium.

CEB CONTROLLING BOARD

General Revenue Fund			
GRF 911-405 Ballot Board	\$	400,000	\$ 0
TOTAL GRF General Revenue Fund	\$	400,000	\$ 0
TOTAL ALL BUDGET FUND GROUPS	\$	400,000	\$ 0

Ballot Board

The foregoing appropriation item 911-405, Ballot Board, shall be used for the advertising costs associated with the statewide special election required by this act.

Within the limits set forth in this act, the Director of Budget and Management shall establish accounts indicating source and amount of funds for each appropriation made in this act, and shall determine the form and manner in which appropriation accounts shall be maintained. Expenditures from appropriations contained in this act shall be accounted for as though made in Am. Sub. H.B. 215 of the 122nd General Assembly.

The appropriations made in this act are subject to all provisions of Am. Sub. H.B. 215 of the 122nd General Assembly that are generally applicable to such appropriations.

SECTION 5. In accordance with section 1.471 of the Revised Code and Ohio Constitution, Article II, Section 1d, Sections 2, 3, 4, and 5 of this act go into immediate effect.

SECTION 6. That section 131.45 of the Revised Code be enacted to read as follows:

Sec. 131.45. (A) The amount the general assembly appropriates from the general revenue fund each year per pupil for primary and secondary educational purposes shall be not less than the amount it appropriated per pupil for those purposes for the base year, adjusted for changes in prices as measured by the consumer price index (all urban consumers, all items) prepared by the bureau of labor statistics of the United States department of labor. The base year is fiscal year 1999.

(B) Appropriations of the proceeds of the sales and use tax levied by sections 5739.029 and 5741.024 Of the Revised Code and of the net proceeds of any state lottery under Section 6 of Article XV of the Ohio Constitution shall be in addition to appropriations made pursuant to this section.

(C) For the purposes of this section, appropriations for primary and secondary educational purposes includes amounts appropriated to reimburse school districts for property tax reductions required by law.

Speaker _____ of the House of Representatives.

President _____ of the Senate.

Passed _____, 20____

Approved _____, 20____

Governor.

Am. Sub. H. B. No. 697

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The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the
____ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____