As Introduced

136th General Assembly
Regular Session **S. B. No. 66**
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Senators O'Brien, Lang
Cosponsors: Senators Koehler, Romanchuk, Schaffer, Roegner, Brenner

A BILL

To amend section 319.301 of the Revised Code to include emergency levies, substitute levies, all inside millage, and school district income taxes in the calculation of a school district's effective millage floor.

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

Section 1. That section 319.301 of the Revised Code be amended to read as follows:

Sec. 319.301. (A) The reductions required by division (D) of this section do not apply to any of the following:

(1) Taxes levied at whatever rate is required to produce a specified amount of tax money, including a tax levied under section 5705.199 or 5748.09 of the Revised Code, or an amount to pay debt charges;

(2) Taxes levied within the one per cent limitation imposed by Section 2 of Article XII, Ohio Constitution;

(3) Taxes provided for by the charter of a municipal corporation.

(B) As used in this section:

(1) "Real property" includes real property owned by a railroad.

(2) "Carryover property" means all real property on the current year's tax list except:

(a) Land and improvements that were not taxed by the district in both the preceding year and the current year;

(b) Land and improvements that were not in the same class in both the preceding year and the current year.

(3) ~~"Effective tax rate" means with respect to each class of property:~~

~~(a) The sum of the total taxes that would have been charged and payable for current expenses against real property in that class if each of the district's taxes were reduced for the current year under division (D)(1) of this section without regard to the application of division (E)(3) of this section divided by~~

~~(b) The taxable value of all real property in that class.~~

~~(4)~~ "Taxes charged and payable" means the taxes charged and payable prior to any reduction required by section 319.302 of the Revised Code.

(C) The tax commissioner shall make the determinations required by this section each year, without regard to whether a taxing district has territory in a county to which section 5715.24 of the Revised Code applies for that year. Separate determinations shall be made for each of the two classes established pursuant to section 5713.041 of the Revised Code.

(D) With respect to each tax authorized to be levied by each taxing district, the tax commissioner, annually, shall do both of the following:

(1) Determine by what percentage, if any, the sums levied by such tax against the carryover property in each class would have to be reduced for the tax to levy the same number of dollars against such property in that class in the current year as were charged against such property by such tax in the preceding year subsequent to the reduction made under this section but before the reduction made under section 319.302 of the Revised Code. In the case of a tax levied for the first time that is not a renewal of an existing tax, the commissioner shall determine by what percentage the sums that would otherwise be levied by such tax against carryover property in each class would have to be reduced to equal the amount that would have been levied if the full rate thereof had been imposed against the total taxable value of such property in the preceding tax year. A tax or portion of a tax that is designated a replacement levy under section 5705.192 of the Revised Code is not a renewal of an existing tax for purposes of this division.

(2) Certify each percentage determined in division (D)(1) of this section, as adjusted under division (E) of this section, and the class of property to which that percentage applies to the auditor of each county in which the district has territory. The auditor, after complying with section 319.30 of the Revised Code, shall reduce the sum to be levied by such tax against each parcel of real property in the district by the percentage so certified for its class. Certification shall be made by the first day of September except in the case of a tax levied for the first time, in which case certification shall be made within fifteen days of the date the county auditor submits the

information necessary to make the required determination.

(E)(1) As used in division ~~(E)(2)~~ (E) of this section~~,~~ ~~"pre-1982~~ :

(a) "Pre-1982 joint vocational taxes" means, with respect to a class of property, the difference between the following amounts:

~~(a)~~ (i) The taxes charged and payable in tax year 1981 against the property in that class for the current expenses of the joint vocational school district of which the school district is a part after making all reductions under this section;

~~(b)~~ (ii) Two-tenths of one per cent of the taxable value of all real property in that class.

If the amount in division ~~(E)(1)(b)~~ (E)(1)(a)(ii) of this section exceeds the amount in division ~~(E)(1)(a)~~ (E)(1)(a)(i) of this section, the pre-1982 joint vocational taxes shall be zero.

~~As used in divisions (E)(2) and (3) of this section, "taxes charged and payable" has the same meaning as in division (B)(4) of this section and excludes any tax charged and payable in 1985 or thereafter under sections 5705.194 to 5705.197 or section 5705.199, 5705.213, 5705.219, or 5748.09 of the Revised Code~~(b) "School district income tax" has the same meaning as in section 5748.01 of the Revised Code.

(c) "Qualifying taxes charged and payable" means the sum of the following:

(i) For real property taxes levied within the one per cent limitation imposed by Ohio Constitution, Article XII, Section 2, all taxes charged and payable;

(ii) For all other real property taxes, the taxes charged and payable for current expenses, including any real property tax charged and payable under sections 5705.194 to 5705.197 or section 5705.199 of the Revised Code, but excluding any real property tax charged and payable under section 5705.213, 5705.219, or 5748.09 of the Revised Code;

(iii) For school district income taxes, the property tax equivalent rate computed for the school district under division (E)(4) of this section.

(2) If in the case of a school district other than a joint vocational or cooperative education school district any percentage required to be used in division (D)(2) of this section for either class of property could cause the ~~total~~ qualifying taxes charged and payable ~~for current expenses~~ to be less than two per cent of the taxable value of all real property in that class that is subject to taxation by the district, the commissioner shall determine what percentages would cause the district's ~~total~~ qualifying taxes charged and payable ~~for current expenses~~ against that class, after all reductions that would otherwise be made under this section, to equal, when combined with the pre-1982 joint vocational taxes against that class, the lesser of the following:

(a) The sum of the rates at which those taxes are authorized to be levied, including the property tax equivalent rate calculated with respect to any school district income tax;

(b) Two per cent of the taxable value of the property in that class. The auditor shall use such percentages in making the reduction required by this section for that class.

(3) If in the case of a joint vocational school district

any percentage required to be used in division (D)(2) of this section for either class of property could cause the ~~total~~ qualifying taxes charged and payable ~~for current expenses~~ for that class to be less than two-tenths of one per cent of the taxable value of that class, the commissioner shall determine what percentages would cause the district's ~~total~~ qualifying taxes charged and payable ~~for current expenses~~ for that class, after all reductions that would otherwise be made under this section, to equal that amount. The auditor shall use such percentages in making the reductions required by this section for that class.

(4) Each year, on or before the first day of September, the tax commissioner shall compute a property tax equivalent rate for each school district that levies a school district income tax, as follows:

(a) Multiply one mill times the total taxable value of the district as determined in divisions (A)(1) and (2) of section 3317.021 of the Revised Code;

(b) Estimate the total amount of tax liability for the current tax year under the school district income tax;

(c) Divide the amount estimated under division (E)(4)(b) of this section by the product obtained under division (E)(4)(a) of this section.

(F) No reduction shall be made under this section in the rate at which any tax is levied.

(G) The commissioner may order a county auditor to furnish any information the commissioner needs to make the determinations required under division (D) or (E) of this section, and the auditor shall supply the information in the

form and by the date specified in the order. If the auditor fails to comply with an order issued under this division, except for good cause as determined by the commissioner, the commissioner shall withhold from such county or taxing district therein fifty per cent of state revenues to local governments pursuant to section 5747.50 of the Revised Code or shall direct the department of education and workforce to withhold therefrom fifty per cent of state revenues to school districts pursuant to Chapter 3317. of the Revised Code. The commissioner shall withhold the distribution of such revenues until the county auditor has complied with this division, and the department shall withhold the distribution of such revenues until the commissioner has notified the department that the county auditor has complied with this division.

(H) If the commissioner is unable to certify a tax reduction factor for either class of property in a taxing district located in more than one county by the last day of November because information required under division (G) of this section is unavailable, the commissioner may compute and certify an estimated tax reduction factor for that district for that class. The estimated factor shall be based upon an estimate of the unavailable information. Upon receipt of the actual information for a taxing district that received an estimated tax reduction factor, the commissioner shall compute the actual tax reduction factor and use that factor to compute the taxes that should have been charged and payable against each parcel of property for the year for which the estimated reduction factor was used. The amount by which the estimated factor resulted in an overpayment or underpayment in taxes on any parcel shall be added to or subtracted from the amount due on that parcel in the ensuing tax year.

A percentage or a tax reduction factor determined or computed by the commissioner under this section shall be used solely for the purpose of reducing the sums to be levied by the tax to which it applies for the year for which it was determined or computed. It shall not be used in making any tax computations for any ensuing tax year.

(I) In making the determinations under division (D)(1) of this section, the tax commissioner shall take account of changes in the taxable value of carryover property resulting from complaints filed under section 5715.19 of the Revised Code for determinations made for the tax year in which such changes are reported to the commissioner. Such changes shall be reported to the commissioner on the first abstract of real property filed with the commissioner under section 5715.23 of the Revised Code following the date on which the complaint is finally determined by the board of revision or by a court or other authority with jurisdiction on appeal. The tax commissioner shall account for such changes in making the determinations only for the tax year in which the change in valuation is reported. Such a valuation change shall not be used to recompute the percentages determined under division (D)(1) of this section for any prior tax year.

Section 2. That existing section 319.301 of the Revised Code is hereby repealed.

Section 3. The amendment by this act of section 319.301 of the Revised Code applies to tax years beginning on or after the effective date of this section.