

**As Introduced**

**131st General Assembly  
Regular Session  
2015-2016**

**H. B. No. 43**

**Representative Gerberry**

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**A BILL**

To amend sections 319.302, 3318.032, and 3318.37 of 1  
the Revised Code to revise the law governing 2  
classroom facilities assistance programs and to 3  
restore the application of the 10% and 2.5% 4  
property tax rollbacks to school district tax 5  
levies approved on or after the effective date 6  
of Am. Sub. H.B. 59 of the 130th General 7  
Assembly. 8

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

**Section 1.** That sections 319.302, 3318.032, and 3318.37 of 9  
the Revised Code be amended to read as follows: 10

**Sec. 319.302.** (A) (1) Real property that is not intended 11  
primarily for use in a business activity shall qualify for a 12  
partial exemption from real property taxation. For purposes of 13  
this partial exemption, "business activity" includes all uses of 14  
real property, except farming; leasing property for farming; 15  
occupying or holding property improved with single-family, two- 16  
family, or three-family dwellings; leasing property improved 17  
with single-family, two-family, or three-family dwellings; or 18  
holding vacant land that the county auditor determines will be 19

used for farming or to develop single-family, two-family, or 20  
three-family dwellings. For purposes of this partial exemption, 21  
"farming" does not include land used for the commercial 22  
production of timber that is receiving the tax benefit under 23  
section 5713.23 or 5713.31 of the Revised Code and all 24  
improvements connected with such commercial production of 25  
timber. 26

(2) Each year, the county auditor shall review each parcel 27  
of real property to determine whether it qualifies for the 28  
partial exemption provided for by this section as of the first 29  
day of January of the current tax year. 30

(B) After complying with section 319.301 of the Revised 31  
Code, the county auditor shall reduce the remaining sums to be 32  
levied by qualifying levies against each parcel of real property 33  
that is listed on the general tax list and duplicate of real and 34  
public utility property for the current tax year and that 35  
qualifies for partial exemption under division (A) of this 36  
section, and against each manufactured and mobile home that is 37  
taxed pursuant to division (D) (2) of section 4503.06 of the 38  
Revised Code and that is on the manufactured home tax list for 39  
the current tax year, by ten per cent, to provide a partial 40  
exemption for that parcel or home. For the purposes of this 41  
division: 42

(1) "Qualifying levy" means a tax levied outside the ten- 43  
mill limitation by a school district; a levy proposed by a 44  
taxing authority other than a school district and approved at an 45  
election held before September 29, 2013; a levy within the ten- 46  
mill limitation; a levy provided for by the charter of a 47  
municipal corporation that was levied on the tax list for tax 48  
year 2013; a subsequent renewal of any such levy; or a 49

subsequent substitute for such a levy under section 5705.199 of 50  
the Revised Code. 51

(2) "Qualifying levy" does not include any replacement 52  
imposed under section 5705.192 of the Revised Code of any levy 53  
described in division (B)(1) of this section except a levy 54  
outside the ten-mill limitation imposed by a school district. 55

(3) "School district" means a city, local, exempted 56  
village, cooperative education, or joint vocational school 57  
district. 58

(C) Except as otherwise provided in sections 323.152, 59  
323.158, 505.06, and 715.263 of the Revised Code, the amount of 60  
the taxes remaining after any such reduction shall be the real 61  
and public utility property taxes charged and payable on each 62  
parcel of real property, including property that does not 63  
qualify for partial exemption under division (A) of this 64  
section, and the manufactured home tax charged and payable on 65  
each manufactured or mobile home, and shall be the amounts 66  
certified to the county treasurer for collection. Upon receipt 67  
of the real and public utility property tax duplicate, the 68  
treasurer shall certify to the tax commissioner the total amount 69  
by which the real property taxes were reduced under this 70  
section, as shown on the duplicate. Such reduction shall not 71  
directly or indirectly affect the determination of the principal 72  
amount of notes that may be issued in anticipation of any tax 73  
levies or the amount of bonds or notes for any planned 74  
improvements. If after application of sections 5705.31 and 75  
5705.32 of the Revised Code and other applicable provisions of 76  
law, including divisions (F) and (I) of section 321.24 of the 77  
Revised Code, there would be insufficient funds for payment of 78  
debt charges on bonds or notes payable from taxes reduced by 79

this section, the reduction of taxes provided for in this 80  
section shall be adjusted to the extent necessary to provide 81  
funds from such taxes. 82

(D) The tax commissioner may adopt rules governing the 83  
administration of the partial exemption provided for by this 84  
section. 85

(E) The determination of whether property qualifies for 86  
partial exemption under division (A) of this section is solely 87  
for the purpose of allowing the partial exemption under division 88  
(B) of this section. 89

**Sec. 3318.032.** (A) Except as otherwise provided in 90  
divisions (C) and (D) of this section, the portion of the basic 91  
project cost supplied by the school district shall be the 92  
greater of: 93

(1) The required percentage of the basic project costs; 94

(2) (a) For all districts except a district that opts to 95  
divide its entire classroom facilities needs into segments to be 96  
completed separately as authorized by section 3318.034 of the 97  
Revised Code, an amount necessary to raise the school district's 98  
net bonded indebtedness, as of the date the controlling board 99  
approved the project, to within five thousand dollars of the 100  
required level of indebtedness; 101

(b) For a district that opts to divide its entire 102  
classroom facilities needs into segments to be completed 103  
separately as authorized by section 3318.034 of the Revised 104  
Code, an amount necessary to raise the school district's net 105  
bonded indebtedness, as of the date the controlling board 106  
approved the project, to within five thousand dollars of the 107  
following: 108

The required level of indebtedness X (the basic	109
project cost of the segment as approved	110
by the controlling board / the estimated basic	111
project cost of the district's entire classroom facilities	112
needs as determined jointly by the staff of the Ohio	113
school facilities commission and the district)	114
(B) The amount of the district's share determined under	115
this section shall be calculated only as of the date the	116
controlling board approved the project, and that amount applies	117
throughout the thirteen-month period permitted under section	118
3318.05 of the Revised Code for the district's electors to	119
approve the propositions described in that section. If the	120
amount reserved and encumbered for a project is released because	121
the electors do not approve those propositions within that	122
period, and the school district later receives the controlling	123
board's approval for the project, subject to a new project scope	124
and estimated costs under section 3318.054 of the Revised Code,	125
the district's portion shall be recalculated in accordance with	126
this section as of the date of the controlling board's	127
subsequent approval.	128
(C) At no time shall a school district's portion of the	129
basic project cost be greater than <del>ninety-five</del> <u>seventy-five</u> per	130
cent of the total basic project cost.	131
(D) If the controlling board approves a project under	132
sections 3318.01 to 3318.20 of the Revised Code for a school	133
district that previously received assistance under those	134
sections or section 3318.37 of the Revised Code within the	135
twenty-year period prior to the date on which the controlling	136

board approves the new project, the district's portion of the 137  
basic project cost for the new project shall be the lesser of 138  
the following: 139

(1) The portion calculated under division (A) of this 140  
section; 141

(2) The greater of the following: 142

(a) The required percentage of the basic project costs for 143  
the new project; 144

(b) The percentage of the basic project cost paid by the 145  
district for the previous project. 146

**Sec. 3318.37.** (A) (1) As used in this section: 147

(a) "Full maintenance amount" has the same meaning as in 148  
section 3318.034 of the Revised Code. 149

(b) A "school district with an exceptional need for 150  
immediate classroom facilities assistance" means a school 151  
district with an exceptional need for new facilities in order to 152  
protect the health and safety of all or a portion of its 153  
students. 154

(c) "Basic project cost" has the same meaning as in 155  
section 3318.01 of the Revised Code. 156

(2) No school district that participates in the school 157  
building assistance expedited local partnership program under 158  
section 3318.36 of the Revised Code shall receive assistance 159  
under the program established under this section unless the 160  
following conditions are satisfied: 161

(a) The district board adopted a resolution certifying its 162  
intent to participate in the school building assistance 163

expedited local partnership program under section 3318.36 of the Revised Code prior to September 14, 2000.

(b) The district was selected by the Ohio school facilities commission for participation in the school building assistance expedited local partnership program under section 3318.36 of the Revised Code in the manner prescribed by the commission under that section as it existed prior to September 14, 2000.

(B) (1) There is hereby established the exceptional needs school facilities assistance program. Under the program, the Ohio school facilities commission may set aside from the moneys annually appropriated to it for classroom facilities assistance projects up to twenty-five per cent for assistance to school districts with exceptional needs for immediate classroom facilities assistance.

(2) (a) After consulting with education and construction experts, the commission shall adopt guidelines for identifying school districts with an exceptional need for immediate classroom facilities assistance.

(b) The guidelines shall include application forms and instructions for school districts to use in applying for assistance under this section.

(3) The commission shall evaluate the classroom facilities, and the need for replacement classroom facilities from the applications received under this section. The commission, utilizing the guidelines adopted under division (B) (2) (a) of this section, shall prioritize the school districts to be assessed.

Notwithstanding section 3318.02 of the Revised Code, the

commission may conduct on-site evaluation of the school 193  
districts prioritized under this section and approve and award 194  
funds until such time as all funds set aside under division (B) 195  
(1) of this section have been encumbered. However, the 196  
commission need not conduct the evaluation of facilities if the 197  
commission determines that a district's assessment conducted 198  
under section 3318.36 of the Revised Code is sufficient for 199  
purposes of this section. 200

(4) Notwithstanding division (A) of section 3318.05 of the 201  
Revised Code, the school district's portion of the basic project 202  
cost under this section shall be ~~the "required percentage of the~~ 203  
~~basic project costs," as defined in division (K) of section~~ 204  
~~3318.01 of the Revised Code~~fifty per cent. 205

(5) Except as otherwise specified in this section, any 206  
project undertaken with assistance under this section shall 207  
comply with all provisions of sections 3318.01 to 3318.20 of the 208  
Revised Code. A school district may receive assistance under 209  
sections 3318.01 to 3318.20 of the Revised Code for the 210  
remainder of the district's classroom facilities needs as 211  
assessed under this section when the district is eligible for 212  
such assistance pursuant to section 3318.02 of the Revised Code, 213  
but any classroom facility constructed with assistance under 214  
this section shall not be included in a district's project at 215  
that time unless the commission determines the district has 216  
experienced the increased enrollment specified in division (B) 217  
(1) of section 3318.04 of the Revised Code. 218

(C) No school district shall receive assistance under this 219  
section for a classroom facility that has been included in the 220  
discrete part of the district's classroom facilities needs 221  
identified and addressed in the district's project pursuant to 222

an agreement entered into under section 3318.36 of the Revised Code, unless the district's entire classroom facilities plan consists of only a single building designed to house grades kindergarten through twelve.

(D) (1) When undertaking a project under this section, a school district may elect to prorate its full maintenance amount by setting aside for maintenance the amount calculated under division (D) (2) of this section to maintain the classroom facilities acquired under the project, if the district will use one or more of the alternative methods authorized in sections 3318.051, 3318.052, and 3318.084 of the Revised Code to generate the entire amount calculated under that division. If the district so elects, the commission and the district shall include in the agreement entered into under section 3318.08 of the Revised Code a statement specifying that the district will use the amount calculated under that division only to maintain the classroom facilities acquired under the project under this section.

(2) The commission shall calculate the amount for a school district to maintain the classroom facilities acquired under a project under this section as follows:

The full maintenance amount X (the school district's portion of the basic project cost under this section / the school district's portion of the basic project cost for the district's entire classroom facilities needs, as determined jointly by the staff of the commission and the district)

(3) A school district may elect to prorate its full maintenance amount for any number of projects under this section, provided the district will use one or more of the alternative methods authorized in sections 3318.051, 3318.052,

and 3318.084 of the Revised Code to generate the entire amount 253  
calculated under division (D) (2) of this section to maintain the 254  
classroom facilities acquired under each project for which it so 255  
elects. If the district cannot use one or more of those 256  
alternative methods to generate the entire amount calculated 257  
under that division, the district shall levy the tax described 258  
in division (B) of section 3318.05 of the Revised Code or an 259  
extension of that tax under section 3318.061 of the Revised Code 260  
in an amount necessary to generate the remainder of its full 261  
maintenance amount. The commission shall calculate the remainder 262  
of the district's full maintenance amount as follows: 263

The full maintenance amount - the sum of the amounts 264  
calculated for the district under division (D) (2) of this 265  
section for each of the district's prior projects under this 266  
section 267

(4) In no case shall the sum of the amounts calculated for 268  
a school district's maintenance of classroom facilities under 269  
divisions (D) (2) and (3) of this section exceed the amount that 270  
would have been required for maintenance if the district had 271  
elected to meet its entire classroom facilities needs with a 272  
project under sections 3318.01 to 3318.20 of the Revised Code 273  
and had not undertaken one or more projects under this section. 274

(5) If a school district commenced a project under this 275  
section prior to ~~the effective date of this amendment~~ September 276  
10, 2012, but has not completed that project, and has not levied 277  
the tax described in division (B) of section 3318.05 of the 278  
Revised Code or an extension of that tax under section 3318.061 279  
of the Revised Code, the district may request approval from the 280  
commission to prorate its full maintenance amount in accordance 281  
with divisions (D) (1) to (4) of this section. If the commission 282

approves the request, the commission and the district shall 283  
amend the agreement entered into under section 3318.08 of the 284  
Revised Code to reflect the change. 285

(E) No district shall be prohibited from receiving 286  
assistance under this section or section 3318.371 of the Revised 287  
Code because it elected not to receive funding under sections 288  
3318.01 to 3318.20 of the Revised Code or because the electors 289  
of the district failed to approve the required levy for the 290  
district to receive funding under sections 3318.01 to 3318.20 of 291  
the Revised Code. 292

**Section 2.** That existing sections 319.302, 3318.032, and 293  
3318.37 of the Revised Code are hereby repealed. 294

**Section 3.** Section 3318.37 of the Revised Code is 295  
presented in this act as a composite of the section as amended 296  
by both Am. Sub. H.B. 487 and Am. Sub. S.B. 316 of the 129th 297  
General Assembly. The General Assembly, applying the principle 298  
stated in division (B) of section 1.52 of the Revised Code that 299  
amendments are to be harmonized if reasonably capable of 300  
simultaneous operation, finds that the composite is the 301  
resulting version of the section in effect prior to the 302  
effective date of the section as presented in this act. 303

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