

As Introduced

**133rd General Assembly
Regular Session
2019-2020**

S. B. No. 216

**Senator Roegner
Cosponsor: Senator Fedor**

A BILL

To amend sections 319.302 and 5705.211 and to enact 1
sections 323.1510 and 4503.0612 of the Revised 2
Code to allow school districts to exempt 3
recipients of the existing homestead exemption 4
from additional school district taxes. 5

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

Section 1. That sections 319.302 and 5705.211 be amended 6
and sections 323.1510 and 4503.0612 of the Revised Code be 7
enacted to read as follows: 8

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

three-family dwellings. For purposes of this partial exemption, 19
"farming" does not include land used for the commercial 20
production of timber that is receiving the tax benefit under 21
section 5713.23 or 5713.31 of the Revised Code and all 22
improvements connected with such commercial production of 23
timber. 24

(2) Each year, the county auditor shall review each parcel 25
of real property to determine whether it qualifies for the 26
partial exemption provided for by this section as of the first 27
day of January of the current tax year. 28

(B) After complying with section 319.301 of the Revised 29
Code, the county auditor shall reduce the remaining sums to be 30
levied by qualifying levies against each parcel of real property 31
that is listed on the general tax list and duplicate of real and 32
public utility property for the current tax year and that 33
qualifies for partial exemption under division (A) of this 34
section, and against each manufactured and mobile home that is 35
taxed pursuant to division (D) (2) of section 4503.06 of the 36
Revised Code and that is on the manufactured home tax list for 37
the current tax year, by ten per cent, to provide a partial 38
exemption for that parcel or home. For the purposes of this 39
division: 40

(1) "Qualifying levy" means a levy approved at an election 41
held before September 29, 2013; a levy within the ten-mill 42
limitation; a levy provided for by the charter of a municipal 43
corporation that was levied on the tax list for tax year 2013; a 44
subsequent renewal of any such levy; or a subsequent substitute 45
for such a levy under section 5705.199 of the Revised Code. 46

(2) "Qualifying levy" does not include any replacement 47
imposed under section 5705.192 of the Revised Code of any levy 48

described in division (B) (1) of this section. 49

(C) Except as otherwise provided in sections 323.152, 50
323.158, 323.1510, 505.06, and 715.263 of the Revised Code, the 51
amount of the taxes remaining after any such reduction shall be 52
the real and public utility property taxes charged and payable 53
on each parcel of real property, including property that does 54
not qualify for partial exemption under division (A) of this 55
section, and the manufactured home tax charged and payable on 56
each manufactured or mobile home, and shall be the amounts 57
certified to the county treasurer for collection. Upon receipt 58
of the real and public utility property tax duplicate, the 59
treasurer shall certify to the tax commissioner the total amount 60
by which the real property taxes were reduced under this 61
section, as shown on the duplicate. Such reduction shall not 62
directly or indirectly affect the determination of the principal 63
amount of notes that may be issued in anticipation of any tax 64
levies or the amount of bonds or notes for any planned 65
improvements. If after application of sections 5705.31 and 66
5705.32 of the Revised Code and other applicable provisions of 67
law, including divisions (F) and (I) of section 321.24 of the 68
Revised Code, there would be insufficient funds for payment of 69
debt charges on bonds or notes payable from taxes reduced by 70
this section, the reduction of taxes provided for in this 71
section shall be adjusted to the extent necessary to provide 72
funds from such taxes. 73

(D) The tax commissioner may adopt rules governing the 74
administration of the partial exemption provided for by this 75
section. 76

(E) The determination of whether property qualifies for 77
partial exemption under division (A) of this section is solely 78

for the purpose of allowing the partial exemption under division 79
(B) of this section. 80

Sec. 323.1510. (A) As used in this section: 81

(1) "Fixed-rate levy" means any tax levied on property 82
other than a fixed-sum levy, and "fixed-sum levy" has the same 83
meaning as in section 5727.84 of the Revised Code. 84

(2) "Eligible levy" means a fixed-rate levy that is 85
designated as an eligible levy under division (B) of this 86
section. 87

(B) The board of education of a school district may grant 88
a partial real property tax exemption to each homestead in the 89
school district that also receives the tax reduction under 90
division (A) of section 323.152 of the Revised Code. The partial 91
exemption shall equal the amount of current taxes charged and 92
payable against the homestead that are attributable to eligible 93
levies. 94

A board of education may designate a fixed-rate levy as an 95
eligible levy. The designation shall be made in the same 96
resolution that proposes to impose or replace the levy. If the 97
levy is approved by voters, the partial exemption allowed under 98
this section shall apply with respect to that levy beginning in 99
the same tax year in which the levy first takes effect. 100

(C) After complying with sections 319.301, 319.302, 101
323.152, and 323.158 of the Revised Code, the county auditor 102
shall reduce the remaining sum to be levied against a homestead 103
by the amount of current taxes charged and payable against the 104
homestead that are attributable to eligible levies, computed 105
without regard to the reductions under section 319.302, 323.152, 106
or 323.158 of the Revised Code. The auditor shall certify the 107

amount of taxes remaining after the reduction to the county 108
treasurer for collection as the real property taxes charged and 109
payable on the homestead. 110

(D) If a person files a late application for a tax 111
reduction under division (B) of section 323.153 of the Revised 112
Code for the preceding year, and is granted the reduction, the 113
person also shall receive any reduction allowed under this 114
section for the preceding year. The county auditor shall credit 115
the amount of the reduction against the person's current taxes 116
and otherwise proceed in the same manner as prescribed by that 117
division as if the reduction resulted from a late application 118
for a reduction in taxes under section 323.152 of the Revised 119
Code. 120

Sec. 4503.0612. (A) As used in this section, "eligible 121
levy" has the same meaning as in section 323.1510 of the Revised 122
Code. 123

(B) If the board of education of a school district grants 124
a partial real property tax exemption under section 323.1510 of 125
the Revised Code, it shall also grant a partial manufactured 126
home tax exemption under this section to each manufactured home 127
in the school district that also receives the tax reduction 128
allowed under section 4503.065 of the Revised Code. The partial 129
exemption shall equal the amount of current manufactured home 130
taxes charged against the manufactured home that are 131
attributable to eligible levies. When an eligible levy is 132
approved by voters, the partial exemption allowed under this 133
section shall apply with respect to that levy beginning in the 134
same tax year in which the levy first takes effect. 135

(C) After complying with sections 4503.06, 4503.065, and 136
4503.0610 of the Revised Code, the county auditor shall reduce 137

the remaining sum to be levied against a manufactured home by 138
the amount of current taxes charged and payable against the 139
manufactured home that are attributable to eligible levies, 140
computed without regard to the reductions under those sections. 141
The auditor shall certify the amount of tax remaining after the 142
reduction to the county treasurer for collection as the 143
manufactured home tax charged and payable on the manufactured 144
home. 145

(D) If a person files a late application for a tax 146
reduction under division (A) of section 4503.066 of the Revised 147
Code for the preceding year, and is granted the reduction, the 148
person also shall receive any reduction allowed under this 149
section for the preceding year. The county auditor shall credit 150
the amount of the reduction against the person's current taxes 151
and otherwise proceed in the same manner as prescribed by that 152
division as if the reduction resulted from a late application 153
for a reduction in taxes under section 4503.065 of the Revised 154
Code. 155

Sec. 5705.211. (A) As used in this section: 156

(1) "Adjusted charge-off increase" for a tax year means 157
two and two-tenths per cent of the cumulative carryover property 158
value increase. 159

(2) "Cumulative carryover property value increase" means 160
the sum of the increases in carryover value certified under 161
division (B) (2) of section 3317.015 of the Revised Code and 162
included in a school district's total taxable value in the 163
computation of recognized valuation under division (B) of that 164
section for all fiscal years from the fiscal year that ends in 165
the first tax year a levy under this section is extended on the 166
tax list of real and public utility property until and including 167

the fiscal year that ends in the current tax year. 168

(3) "Taxes charged and payable" means the taxes charged 169
and payable from a tax levy extended on the real and public 170
utility property tax list and the general list of personal 171
property before any reduction under section 319.302, 323.152, ~~or~~ 172
323.158, or 323.1510 of the Revised Code. 173

(B) The board of education of a city, local, or exempted 174
village school district may adopt a resolution proposing the 175
levy of a tax in excess of the ten-mill limitation for the 176
purpose of paying the current operating expenses of the 177
district. If the resolution is approved as provided in division 178
(D) of this section, the tax may be levied at such a rate each 179
tax year that the total taxes charged and payable from the levy 180
equals the adjusted charge-off increase for the tax year or 181
equals a lesser amount as prescribed under division (C) of this 182
section. The tax may be levied for a continuing period of time 183
or for a specific number of years, but not fewer than five 184
years, as provided in the resolution. The tax may not be placed 185
on the tax list for a tax year beginning before the first day of 186
January following adoption of the resolution. A board of 187
education may not adopt a resolution under this section 188
proposing to levy a tax under this section concurrently with any 189
other tax levied by the board under this section. 190

(C) After the first year a tax is levied under this 191
section, the rate of the tax in any year shall not exceed the 192
rate, estimated by the county auditor, that would cause the sums 193
levied from the tax against carryover property to exceed one 194
hundred four per cent of the sums levied from the tax against 195
carryover property in the preceding year. A board of education 196
imposing a tax under this section may specify in the resolution 197

imposing the tax that the percentage shall be less than one 198
hundred four per cent, but the percentage shall not be less than 199
one hundred per cent. At any time after a resolution adopted 200
under this section is approved by a majority of electors as 201
provided in division (D) of this section, the board of 202
education, by resolution, may decrease the percentage specified 203
in the resolution levying the tax. 204

(D) A resolution adopted under this section shall state 205
that the purpose of the tax is to pay current operating expenses 206
of the district, and shall specify the first year in which the 207
tax is to be levied, the number of years the tax will be levied 208
or that it will be levied for a continuing period of time, and 209
the election at which the question of the tax is to appear on 210
the ballot, which shall be a general or special election 211
consistent with the requirements of section 3501.01 of the 212
Revised Code. If the board of education specifies a percentage 213
less than one hundred four per cent pursuant to division (C) of 214
this section, the percentage shall be specified in the 215
resolution. 216

Upon adoption of the resolution, the board of education 217
may certify a copy of the resolution to the proper county board 218
of elections. The copy of the resolution shall be certified to 219
the board of elections not later than ninety days before the day 220
of the election at which the question of the tax is to appear on 221
the ballot. Upon receiving a timely certified copy of such a 222
resolution, the board of elections shall make the necessary 223
arrangements for the submission of the question to the electors 224
of the school district, and the election shall be conducted, 225
canvassed, and certified in the same manner as regular elections 226
in the school district for the election of members of the board 227
of education. Notice of the election shall be published in a 228

newspaper of general circulation in the school district once per 229
week for four consecutive weeks or as provided in section 7.16 230
of the Revised Code. The notice shall state that the purpose of 231
the tax is for the current operating expenses of the school 232
district, the first year the tax is to be levied, the number of 233
years the tax is to be levied or that it is to be levied for a 234
continuing period of time, that the tax is to be levied each 235
year in an amount estimated to offset decreases in state base 236
cost funding caused by appreciation in real estate values, and 237
that the estimated additional tax in any year shall not exceed 238
the previous year's by more than four per cent, or a lesser 239
percentage specified in the resolution levying the tax, except 240
for increases caused by the addition of new taxable property. 241

The question shall be submitted as a separate proposition 242
but may be printed on the same ballot with any other proposition 243
submitted at the same election other than the election of 244
officers. 245

The form of the ballot shall be substantially as follows: 246

"An additional tax for the benefit of (name of school 247
district) for the purpose of paying the current operating 248
expenses of the district, for (number of years or for 249
continuing period of time), at a rate sufficient to offset any 250
reduction in basic state funding caused by appreciation in real 251
estate values? This levy will permit variable annual growth in 252
revenue up to (amount specified by school district) 253
per cent for the duration of the levy. 254

For the tax levy
Against the tax levy

255
256
257

"

258

If a majority of the electors of the school district 259
voting on the question vote in favor of the question, the board 260
of elections shall certify the results of the election to the 261
board of education and to the tax commissioner immediately after 262
the canvass. 263

(E) When preparing any estimate of the contemplated 264
receipts from a tax levied pursuant to this section for the 265
purposes of sections 5705.28 to 5705.40 of the Revised Code, and 266
in preparing to certify the tax under section 5705.34 of the 267
Revised Code, a board of education authorized to levy such a tax 268
shall use information supplied by the department of education to 269
determine the adjusted charge-off increase for the tax year for 270
which that certification is made. If the board levied a tax 271
under this section in the preceding tax year, the sum to be 272
certified for collection from the tax shall not exceed the sum 273
that would exceed the limitation imposed under division (C) of 274
this section. At the request of the board of education or the 275
treasurer of the school district, the county auditor shall 276
assist the board of education in determining the rate or sum 277
that may be levied under this section. 278

The board of education shall certify the sum authorized to 279
be levied to the county auditor, and, for the purpose of the 280
county auditor determining the rate at which the tax is to be 281
levied in the tax year, the sum so certified shall be the sum to 282
be raised by the tax unless the sum exceeds the limitation 283
imposed by division (C) of this section. A tax levied pursuant 284
to this section shall not be levied at a rate in excess of the 285
rate estimated by the county auditor to produce the sum 286
certified by the board of education before the reductions under 287

sections 319.302, 323.152, and 323.158, <u>and 323.1510</u> of the	288
Revised Code. Notwithstanding section 5705.34 of the Revised	289
Code, a board of education authorized to levy a tax under this	290
section shall certify the tax to the county auditor before the	291
first day of October of the tax year in which the tax is to be	292
levied, or at a later date as approved by the tax commissioner.	293
Section 2. That existing sections 319.302 and 5705.211 of	294
the Revised Code are hereby repealed.	295
Section 3. The amendment or enactment by this act of	296
sections 319.302, 323.1510, 4503.0612, and 5705.211 of the	297
Revised Code applies to any tax levy designated as an eligible	298
levy in a resolution adopted on or after the effective date of	299
this act.	300