

**As Passed by the House**

**134th General Assembly**

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**2021-2022**

**H. B. No. 66**

**Representative Hoops**

**Cosponsors: Representatives Riedel, Stephens, Troy, Schmidt, Miller, J., Young, T., Fowler Arthur, Cross, Bird, Brown, Carruthers, Click, Crossman, Fraizer, Galonski, Gross, Hillyer, Koehler, Lanese, Liston, Miller, A., Plummer, Ray, Richardson, Russo, Sheehy, Smith, M., Sobecki, Swearingen, Weinstein, West, White, Young, B.**



**A BILL**

To amend sections 107.03, 5703.48, and 5703.95 of  
the Revised Code to require the reporting of  
information on and legislative review of  
property tax exemptions.

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

**Section 1.** That sections 107.03, 5703.48, and 5703.95 of  
the Revised Code be amended to read as follows:

**Sec. 107.03.** (A) As used in this section, "transportation  
budget" means the biennial budget that primarily includes the  
following:

(1) Motor fuel excise tax-related appropriations for the  
department of transportation, public works commission, and  
development services agency;

(2) Other appropriations that pertain to transportation  
and infrastructure related to transportation.

(B) The governor shall submit a transportation budget to 15  
the general assembly not later than four weeks after the general 16  
assembly's organization. 17

(C) The governor shall submit to the general assembly, not 18  
later than four weeks after its organization, a state budget 19  
containing a complete financial plan for the ensuing fiscal 20  
biennium, excluding items of revenue and expenditure described 21  
in section 126.022 of the Revised Code. However, in years of a 22  
new governor's inauguration, this budget shall be submitted not 23  
later than the fifteenth day of March. 24

(D) In years of a new governor's inauguration, only the 25  
new governor shall submit a budget to the general assembly. In 26  
addition to other things required by law, each of the governor's 27  
budgets shall contain: 28

(1) A general budget summary by function and agency 29  
setting forth the proposed total expenses from each and all 30  
funds and the anticipated resources for meeting such expenses; 31  
such resources to include any available balances in the several 32  
funds at the beginning of the biennium and a classification by 33  
totals of all revenue receipts estimated to accrue during the 34  
biennium under existing law and proposed legislation. 35

(2) A detailed statement showing the amounts recommended 36  
to be appropriated from each fund for each fiscal year of the 37  
biennium for current expenses, including, but not limited to, 38  
personal services, supplies and materials, equipment, subsidies 39  
and revenue distribution, merchandise for resale, transfers, and 40  
nonexpense disbursements, obligations, interest on debt, and 41  
retirement of debt, and for the biennium for capital outlay, to 42  
the respective departments, offices, institutions, as defined in 43  
section 121.01 of the Revised Code, and all other public 44

purposes; and, in comparative form, the actual expenses by 45  
source of funds during each fiscal year of the previous two 46  
bienniums for each such purpose. No alterations shall be made in 47  
the requests for the legislative and judicial branches of the 48  
state filed with the director of budget and management under 49  
section 126.02 of the Revised Code. If any amount of federal 50  
money is recommended to be appropriated or has been expended for 51  
a purpose for which state money also is recommended to be 52  
appropriated or has been expended, the amounts of federal money 53  
and state money involved shall be separately identified. 54

(3) A detailed estimate of the revenue receipts in each 55  
fund from each source under existing laws during each year of 56  
the biennium; and, in comparative form, actual revenue receipts 57  
in each fund from each source for each year of the two previous 58  
bienniums; 59

(4) The estimated cash balance in each fund at the 60  
beginning of the biennium covered by the budget; the estimated 61  
liabilities outstanding against each such balance; and the 62  
estimated net balance remaining and available for new 63  
appropriations; 64

(5) A detailed estimate of the additional revenue receipts 65  
in each fund from each source under proposed legislation, if 66  
enacted, during each year of the biennium; 67

~~(6) A description of each tax expenditure; a detailed 68  
estimate of the amount of revenues not available to the general 69  
revenue fund under existing laws during each fiscal year of the 70  
biennium covered by the budget due to the operation of each tax 71  
expenditure; and, in comparative form, the amount of revenue not 72  
available to the general revenue fund during each fiscal year of 73  
the immediately preceding biennium due to the operation of each 74~~

~~tax expenditure.~~ The most recent report prepared by the 75  
department of taxation ~~pursuant to~~ under section 5703.48 of the 76  
Revised Code, which shall be submitted to the general assembly 77  
as an appendix to the governor's budget. ~~As used in this~~ 78  
~~division, "tax expenditure" has the same meaning as in section~~ 79  
~~5703.48 of the Revised Code.;~~ 80

(7) The most recent report prepared by the tax expenditure 81  
review committee under division (F) of section 5703.95 of the 82  
Revised Code, which shall be submitted to the general assembly 83  
as an appendix to the governor's budget. 84

**Sec. 5703.48.** (A) As used in this section ~~and section~~ 85  
~~107.03 of the Revised Code, "tax:~~ 86

(1) "Tax expenditure" means a tax provision in the Revised 87  
Code that exempts, either in whole or in part, certain persons, 88  
income, goods, services, or property from the effect of taxes 89  
levied by the state, including, but not limited to, tax 90  
deductions, exemptions, deferrals, exclusions, allowances, 91  
credits, reimbursements, and preferential tax rates, provided 92  
all of the following apply to the provision: 93

~~(1)~~ (a) The provision reduces, or has the potential to 94  
reduce, revenue to the general revenue fund; 95

~~(2)~~ (b) The persons, income, goods, services, or property 96  
exempted by the provision would have been part of a defined tax 97  
base; 98

~~(3)~~ (c) The persons, income, goods, services, or property 99  
exempted by the provision are not subject to an alternate tax 100  
levied by the state; 101

~~(4)~~ (d) The provision is subject to modification or repeal 102  
by an act of the general assembly. 103

(2) "Property tax exemption" means a provision in the 104  
Revised Code that exempts or authorizes a subdivision to exempt 105  
from taxation all or a portion of the value of real property, as 106  
reported on forms otherwise prescribed by the tax commissioner 107  
and as categorized by the tax commissioner for purposes of this 108  
section as: 109

(a) Charitable and public worship; 110

(b) Public and educational; 111

(c) Local economic development; 112

(d) Other exemptions. 113

(B) The department of taxation shall prepare and submit to 114  
the governor not later than the first day of November in each 115  
even-numbered year a report ~~describing the effect of~~ containing 116  
certain information about tax expenditures on the general 117  
revenue fund and property tax exemptions. The report shall 118  
contain ~~a~~ each of the following: 119

(1) A description of each existing tax expenditure under 120  
existing laws and, in and property tax exemption; 121

(2) In comparative form, a detailed estimate of the 122  
approximate amount of revenue not available to the state general 123  
revenue fund in each fiscal year of the current and ensuing 124  
fiscal bienniums as a result of the operation of each tax 125  
expenditure; 126

(3) The aggregate true value of real property exempted in 127  
this state for the preceding tax year as the result of the 128  
operation of each property tax exemption; 129

(4) The amount of revenue paid from the general revenue 130  
fund in the preceding calendar year to reimburse subdivisions 131

for each property tax exemption for which such reimbursement is 132  
required. The 133

The report shall be prepared in such a manner as to 134  
facilitate the inclusion of the information provided by the 135  
report in the governor's budget. 136

**Sec. 5703.95.** (A) As used in this section, "tax 137  
expenditure"~~has~~ and "property tax exemption" have the same 138  
~~meaning~~meanings as in section 5703.48 of the Revised Code. 139

(B) There is hereby created the tax expenditure review 140  
committee, consisting of seven members, composed of the 141  
following: 142

(1) Three members of the house of representatives 143  
appointed by the speaker of the house of representatives in 144  
consultation with the minority leader of the house of 145  
representatives. Members described in division (B)(1) of this 146  
section shall not all be members of the same party and should be 147  
members of the house of representatives committee that deals 148  
primarily with tax legislation; 149

(2) Three members of the senate appointed by the president 150  
of the senate in consultation with the minority leader of the 151  
senate. Members described in division (B)(2) of this section 152  
shall not all be members of the same party and should be members 153  
of the senate committee that deals primarily with tax 154  
legislation; 155

(3) The tax commissioner or the tax commissioner's 156  
designee. The member described in division (B)(3) of this 157  
section shall be a nonvoting member. 158

The speaker of the house of representatives and the 159  
president of the senate shall make initial appointments to the 160

committee not later than thirty days after March 21, 2017. 161  
Thereafter, the terms of the office for appointed members shall 162  
be the same as the term of each general assembly. Members may be 163  
reappointed, provided the member continues to meet all other 164  
eligibility requirements. Vacancies shall be filled in the 165  
manner provided for original appointments. Any member appointed 166  
to fill a vacancy before the expiration of the term for which 167  
the predecessor was appointed shall hold office as a member for 168  
the remainder of that term. Appointed members of the committee 169  
serve at the pleasure of the member's appointing authority and 170  
may be removed only by the appointing authority. 171

(C) The tax expenditure review committee shall hold its 172  
first meeting within ninety days after March 21, 2017. At the 173  
first meeting, the members shall elect a chairperson, who shall 174  
be one of the members described in division (B) (1) or (2) of 175  
this section. Thereafter, the committee shall meet at least once 176  
during the first year of each fiscal biennium to review existing 177  
tax expenditures and property tax exemptions pursuant to 178  
division (D) of this section, provided the committee shall hold, 179  
for any such expenditure and exemption, at least one meeting at 180  
which a person may present to the committee evidence or 181  
testimony related to that expenditure or exemption. Any person 182  
may submit to the chairperson a request that the committee meet 183  
to accept evidence or testimony on a tax expenditure or property 184  
tax exemption. The committee is a public body for the purposes 185  
of section 121.22 of the Revised Code. 186

The chairperson of the committee shall serve until the 187  
thirty-first day of December of each even-numbered year. 188  
Thereafter, members shall elect a new chairperson. If the 189  
preceding chairperson was a member described in division (B) (1) 190  
of this section, the new chairperson shall be a member described 191

in division (B) (2) of this section. If the preceding chairperson 192  
was a member described in division (B) (2) of this section, the 193  
new chairperson shall be a member described in division (B) (1) 194  
of this section. 195

A vacancy on the committee does not impair the right of 196  
the other members to exercise all the functions of the 197  
committee. The presence of a majority of the voting members of 198  
the committee constitutes a quorum for the conduct of business 199  
of the committee. The concurrence of at least a majority of the 200  
voting members of the committee is necessary for any action to 201  
be taken by the committee. 202

Upon the committee's request, a county auditor or county 203  
treasurer or the department of taxation, development services 204  
agency, office of budget and management, or other state agency 205  
shall provide any information in its possession that the 206  
committee requires to perform its duties. 207

The staff of the legislative service commission shall 208  
assist the committee as directed by the committee. 209

(D) The committee shall establish a schedule for review 210  
for each tax expenditure and each property tax exemption so that 211  
each expenditure and exemption is reviewed at least once every 212  
eight years. The schedule may provide for the review of each tax 213  
expenditure and exemption in the order the expenditures and 214  
exemptions were enacted or modified, beginning with the least 215  
recently enacted or modified ~~tax~~-expenditure or exemption. 216  
Alternatively, the review schedule may group tax expenditures 217  
and property tax exemptions by the individuals or industries 218  
benefiting from the ~~expenditures~~expenditure or exemption, the 219  
objectives of each expenditure or exemption, or the policy 220  
rationale of each expenditure or exemption. In its review, the 221



committee shall make recommendations as to whether each tax 222  
expenditure and property tax exemption should be continued 223  
without modification, modified, scheduled for further review at 224  
a future date to consider repealing the expenditure or 225  
exemption, or repealed outright. For each expenditure and 226  
exemption reviewed, the committee may recommend accountability 227  
standards for the future review of the expenditure or exemption. 228  
The committee may consider, when reviewing a tax expenditure or 229  
property tax exemption, any of the relevant factors described in 230  
division (E) of this section. 231

(E) In conducting reviews pursuant to division (D) of this 232  
section, the committee may consider the following factors: 233

(1) The number and classes of persons, organizations, 234  
businesses, or types of industries that would receive the direct 235  
benefit or consequences of the tax expenditure or property tax 236  
exemption; 237

(2) The fiscal impact of the tax expenditure or property 238  
tax exemption on state and local taxing authorities and 239  
subdivisions, including any past fiscal effects and expected 240  
future fiscal impacts of the ~~tax~~-expenditure or exemption in the 241  
following eight-year period; 242

(3) Public policy objectives that might support the tax 243  
expenditure or property tax exemption. In researching such 244  
objectives, the committee may consider the expenditure's or 245  
exemption's legislative history, the ~~tax~~-expenditure's or 246  
exemption's sponsor's intent in proposing the ~~tax~~-expenditure or 247  
exemption, or the extent to which the ~~tax~~-expenditure or 248  
exemption encourages or would encourage business growth or 249  
relocation into the state, promotes or would promote growth or 250  
retention of high-wage jobs in the state, or aids or would aid 251

community stabilization.	252
(4) Whether the tax expenditure <u>or property tax exemption</u>	253
successfully accomplishes any of the objectives identified in	254
division (E) (3) of this section;	255
(5) Whether the objectives identified in division (E) (3)	256
of this section would or could have been accomplished	257
successfully in the absence of the tax expenditure <u>or property</u>	258
<u>tax exemption</u> or with less cost to the state or local	259
governments;	260
(6) Whether the objectives identified in division (E) (3)	261
of this section could have been accomplished successfully	262
through a program that requires legislative appropriations for	263
funding;	264
(7) The extent to which the tax expenditure <u>or property</u>	265
<u>tax exemption</u> may provide unintended benefits to an individual,	266
organization, or industry other than those the general assembly	267
or sponsor intended or creates an unfair competitive advantage	268
for its recipient with respect to other businesses in the state;	269
(8) The extent to which terminating the tax expenditure <u>or</u>	270
<u>property tax exemption</u> may have negative effects on taxpayers	271
that currently benefit from the tax expenditure;	272
(9) The extent to which terminating the tax expenditure <u>or</u>	273
<u>property tax exemption</u> may have negative or positive effects on	274
the state's employment and economy;	275
(10) The feasibility of modifying the tax expenditure <u>or</u>	276
<u>property tax exemption</u> to provide for adjustment or recapture of	277
the proceeds of the <del>tax</del> -expenditure <u>or exemption</u> if the	278
objectives of the <del>tax</del> -expenditure <u>or exemption</u> are not fulfilled	279
by the recipient of the <del>tax</del> -expenditure <u>or exemption</u> .	280

(F) The committee shall prepare a report of its 281  
determinations under division (D) of this section and, not later 282  
than the first day of July of each even-numbered year, submit a 283  
copy of the report to the governor, the speaker of the house of 284  
representatives, the president of the senate, the minority 285  
leader of the house of representatives, and the minority leader 286  
of the senate. The first report shall be submitted either in 287  
2017 or 2018. If the committee maintains a web site, the 288  
committee shall cause a copy of the report to be posted on the 289  
web site in a form enabling access to the report by the public 290  
within thirty days after the report is submitted under this 291  
division. If the committee does not maintain a web site, the 292  
committee shall request that the president of the senate and the 293  
speaker of the house of representatives cause the report to be 294  
posted on the web site of the general assembly. 295

(G) Any bill introduced in the house of representatives or 296  
the senate that proposes to enact or modify one or more tax 297  
expenditures or property tax exemptions should include a 298  
statement explaining the objectives of the ~~tax~~-expenditure or 299  
exemption or its modification and the sponsor's intent in 300  
proposing the ~~tax~~-expenditure or exemption or its modification. 301

**Section 2.** That existing sections 107.03, 5703.48, and 302  
5703.95 of the Revised Code are hereby repealed. 303