

As Introduced

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

H. B. No. 43

Representative Gerberry

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 ~~ninety-five~~ seventy-five 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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