

AN ACT

To amend sections 1711.081, 1711.15, 1711.16, 1711.17, 3769.08, and 5705.19 of the Revised Code to remove the requirement that, in certain counties in which there exists a county agricultural society or an independent agricultural society and in which the board of county commissioners appropriates more than fifty thousand dollars to be expended in one year for certain expenses related to fairs, the question of a tax levy be put on the ballot in the county before the expenditure can be made; to authorize the board of any county to put on the ballot the question of a tax levy for purchasing, maintaining, or improving real estate on which to hold fairs; and to provide that such societies are not required to make payments to the Ohio Standardbred Development Fund from moneys paid by harness horse permit holders.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 1711.081, 1711.15, 1711.16, 1711.17, 3769.08, and 5705.19 of the Revised Code be amended to read as follows:

Sec. 1711.081. The positions of members of the board of directors, officers, and employees of a county or independent agricultural society are not public offices, and persons holding such those positions are eligible to hold any public office except for the office of county commissioner. ~~A member of the county budget commission is eligible to be a member of the board of directors of a county or independent agricultural society unless a tax is levied in the county pursuant to section 1711.15 or 1711.17 of the Revised Code.~~

Sec. 1711.15. In any county in which there is a duly organized county agricultural society, the board of county commissioners may purchase or lease, for a term of not less than twenty years, real estate on which to hold

fairs under the management and control of the county agricultural society, and may erect thereon suitable buildings and otherwise improve it.

In counties in which there is a county agricultural society ~~which~~ that has purchased, or leased, for a term of not less than twenty years, real estate as a site on which to hold fairs or in which the title to ~~such~~ the site is vested in fee in the county, the board may erect or repair buildings or otherwise improve ~~such~~ the site and pay the rental thereof, or contribute to or pay any other form of indebtedness of the society, if the director of agriculture has certified to the board that the county agricultural society is complying with all laws and rules governing the operation of county agricultural societies. The board may appropriate from the general fund ~~such an~~ any amount as that it deems ~~considers~~ necessary for any of those purposes. ~~If the amount appropriated to be expended in the purchase of such real estate or in the erection of buildings or other improvements or payments of rent or other forms of indebtedness of the society exceeds fifty thousand dollars in any one year, such expenditure shall not be made unless the question of a levy of the tax therefor is submitted to the qualified electors of the county at a general election, a notice of which, specifying the amount to be levied, has been given at least thirty days previous to such election. This notice shall be given either by publishing it in one or more newspapers published and of general circulation in the county, or by mailing or otherwise distributing it to each elector in the county as far as is reasonably possible. The board shall pass a resolution authorizing the submission of the question to the electors and certify their action to the board of elections of the county which shall prepare and furnish the necessary ballots and other supplies. Such certification shall be made to the board of elections not later than four p.m. of the seventy fifth day before the day of election. The form of the ballots cast at such election shall be:~~

~~"Agricultural tax--Yes."~~

~~"Agricultural tax--No."~~

~~If the majority of the vote cast is in favor of such tax, it may be levied and collected as other taxes.~~

~~The requirement that the question of a tax levy be submitted to the electors shall not apply where the funds to be expended have been received as reparation for damage to the fairground caused by use thereof for military purposes, or as insurance proceeds received in payment for property damaged or destroyed by fire or any other cause.~~

Sec. 1711.16. When the control and management of a fairground is in a county agricultural society, and the board of county commissioners has appropriated an amount ~~or levied a tax~~ for the aid of ~~such~~ the society as

provided in section 1711.15 of the Revised Code, the society, with the consent of the board, may contract for the erection or repair of buildings or otherwise improve ~~said site~~ the fairground, to the extent that the payment for ~~said~~ the improvement is provided by ~~said~~ the board.

When ~~such~~ the appropriation is made by the board ~~or when such tax is collected by the county treasurer~~, the county auditor shall place the proceeds in a special fund, designated the "county agricultural society fund," indicating the purpose for which it is available, ~~and on~~. On application of the treasurer of the society, ~~said~~ the auditor shall issue ~~his~~ an order for the amount of ~~such~~ the appropriation ~~or tax~~ to ~~said~~ the treasurer of the society, if the society has secured the certificate required under section 1711.05 of the Revised Code, on ~~said~~ the treasurer's filing with ~~said~~ the auditor a bond in double the amount collected, with good and sufficient sureties approved by ~~said~~ the auditor, conditioned for the satisfactory paying over and accounting of ~~such~~ the funds for the purposes for which they were provided. ~~Said~~ The funds shall remain in the special fund in which they are placed by ~~said~~ the auditor until they are applied or by the treasurer of the society and ~~such~~ the bond is given, or until they are expended by the board for the purposes for which ~~said~~ the fund was created. If ~~such~~ the society ceases to exist or releases ~~said~~ the fund as not required for the purposes for which the fund was created, the board may by resolution transfer ~~said~~ the fund to the general fund of the county.

Sec. 1711.17. In any counties in which there is a duly organized independent agricultural society, the respective boards of county commissioners may purchase or lease jointly, for a term of not less than twenty years, real estate on which to hold fairs under the management and control of the society, and may erect suitable buildings and otherwise improve the property, and pay the rental thereof, or contribute to or pay any other form of indebtedness of the society, if the director of agriculture has certified to the board that the independent agricultural society is complying with all laws and rules governing the operation of county agricultural societies. The boards may appropriate from their respective general funds such an amount as they consider necessary for any of those purposes. ~~If the total amount appropriated from one or more boards of county commissioners for the joint purchase of such real estate, for the erection of buildings or other improvements, or for the payment of rent or other forms of indebtedness of the society exceeds fifty thousand dollars in any one year, such expenditure shall not be made unless the question of a levy of a tax for that purpose is submitted to the qualified electors of the counties at a general election, a notice of which, specifying the amount to be levied, has been~~

~~given at least thirty days previous to such election, in one or more newspapers published and of general circulation in the counties. The boards shall pass resolutions authorizing the submission of the question to the electors and certify their action to the boards of elections of the counties, which shall prepare and furnish the necessary ballots and other supplies. Such certification shall be made to the board of elections not later than four p.m. of the seventy fifth day before the day of the election. The form of the ballots cast at such election shall be as follows: "Shall the board of commissioners of County be authorized to levy a tax for the benefit of the independent agricultural society for the purpose of (here state the purpose of the tax), at a rate not exceeding mills for each one dollar of valuation, which amounts to dollars for each one hundred dollars of valuation, for (here state the number of years the tax will be levied)?~~

_____ For the tax levy
 _____ Against the tax levy
 _____ "

~~If the majority of the votes cast is in favor of such tax in each county, it may be levied and collected as other taxes.~~

Sec. 3769.08. (A) Any person holding a permit to conduct a horse-racing meeting may provide a place in the race meeting grounds or enclosure at which the permit holder may conduct and supervise the pari-mutuel system of wagering by patrons of legal age on the live racing programs and simulcast racing programs conducted by such permit holder.

Such pari-mutuel method of wagering upon the live racing programs and simulcast racing programs held at or conducted within such race track, and at the time of such horse-racing meeting, or at other times authorized by the state racing commission, shall not be unlawful. No other place, except that provided and designated by the permit holder and except as provided in section 3769.26 of the Revised Code, nor any other method or system of betting or wagering, except the pari-mutuel system, shall be used or permitted by the permit holder; nor, except as provided in section 3769.089 or 3769.26 of the Revised Code, shall the pari-mutuel system of wagering be conducted by the permit holder on any races except the races at the race track, grounds, or enclosure for which the person holds a permit. Each permit holder may retain as commission an amount not to exceed eighteen per cent of the total of all moneys wagered.

The pari-mutuel wagering authorized by this section is subject to sections 3769.25 to 3769.27 of the Revised Code.

(B) At the close of each racing day, each permit holder authorized to

conduct thoroughbred racing, out of the amount retained on that day by the permit holder, shall pay by check, draft, or money order to the tax commissioner, as a tax, a sum equal to the following percentages of the total of all moneys wagered on live racing programs on that day and shall separately compute and pay by check, draft, or money order to the tax commissioner, as a tax, a sum equal to the following percentages of the total of all money wagered on simulcast racing programs on that day:

- (1) One per cent of the first two hundred thousand dollars wagered, or any part thereof;
- (2) Two per cent of the next one hundred thousand dollars wagered, or any part thereof;
- (3) Three per cent of the next one hundred thousand dollars wagered, or any part thereof;
- (4) Four per cent of all sums over four hundred thousand dollars wagered.

Except as otherwise provided in section 3769.089 of the Revised Code, each permit holder authorized to conduct thoroughbred racing shall use for purse money a sum equal to fifty per cent of the pari-mutuel revenues retained by the permit holder as a commission after payment of the state tax. This fifty per cent payment shall be in addition to the purse distribution from breakage specified in this section.

Subject to division (M) of this section, from the moneys paid to the tax commissioner by thoroughbred-racing permit holders, one-half of one per cent of the total of all moneys so wagered on a racing day shall be paid into the Ohio fairs fund created by section 3769.082 of the Revised Code, one and one-eighth per cent of the total of all moneys so wagered on a racing day shall be paid into the Ohio thoroughbred race fund created by section 3769.083 of the Revised Code, and one-quarter of one per cent of the total of all moneys wagered on a racing day by each permit holder shall be paid into the state racing commission operating fund created by section 3769.03 of the Revised Code. The required payment to the state racing commission operating fund does not apply to county and independent fairs and agricultural societies. The remaining moneys may be retained by the permit holder, except as provided in this section with respect to the odd cents redistribution. Amounts paid into the PASSPORT fund shall be used solely for the support of the PASSPORT program as determined in appropriations made by the general assembly. If the PASSPORT program is abolished, the amount that would have been paid to the PASSPORT fund under this chapter shall be paid to the general revenue fund of the state. As used in this chapter, "PASSPORT program" means the PASSPORT program created

under section 173.40 of the Revised Code.

During calendar year 1994, the total amount paid to the Ohio thoroughbred race fund under this section and section 3769.087 of the Revised Code shall not exceed by more than six per cent the total amount paid to this fund under this section and that section during calendar year 1990. During each calendar year after calendar year 1994, the total amount paid to this fund under this section and that section shall not exceed by more than six per cent the total amount paid to this fund under this section and that section during the immediately preceding calendar year.

Each year, the total amount calculated for payment into the Ohio fairs fund under this division, division (C) of this section, and section 3769.087 of the Revised Code shall be an amount calculated using the percentages specified in this division, division (C) of this section, and section 3769.087 of the Revised Code. Until January 1, 1996, the total amount actually paid into the Ohio fairs fund under this division, division (C) of this section, and section 3769.087 of the Revised Code during each calendar year shall not exceed the total amount that was actually paid into that fund under this division, division (C) of this section, and section 3769.087 of the Revised Code during calendar year 1990, plus five hundred thousand dollars. Beginning on January 1, 1996, and continuing through December 31, 1998, the total amount actually paid into the Ohio fairs fund during each calendar year under this division, division (C) of this section, and section 3769.087 of the Revised Code shall not exceed by more than five per cent an amount equal to the total amount actually paid into the Ohio fairs fund during the immediately preceding calendar year.

A permit holder may contract with a thoroughbred horsemen's organization for the organization to act as a representative of all thoroughbred owners and trainers participating in a horse-racing meeting conducted by the permit holder. A "thoroughbred horsemen's organization" is any corporation or association ~~which~~ that represents, through membership or otherwise, more than one-half of the aggregate of all thoroughbred owners and trainers who were licensed and actively participated in racing within this state during the preceding calendar year. Except as otherwise provided in this paragraph, any moneys received by a thoroughbred horsemen's organization shall be used exclusively for the benefit of thoroughbred owners and trainers racing in this state through the administrative purposes of the organization, benevolent activities on behalf of the horsemen, promotion of the horsemen's rights and interests, and promotion of equine research. A thoroughbred horsemen's organization may expend not more than an aggregate of five per cent of its annual gross

receipts, or a larger amount as approved by the organization, for dues, assessments, and other payments to all other local, national, or international organizations having as their primary purposes the promotion of thoroughbred horse racing, thoroughbred horsemen's rights, and equine research.

(C) Except as otherwise provided in division (B) of this section, at the close of each racing day, each permit holder authorized to conduct harness or quarter horse racing, out of the amount retained that day by the permit holder, shall pay by check, draft, or money order; to the tax commissioner, as a tax, a sum equal to the following percentages of the total of all moneys wagered on live racing programs and shall separately compute and pay by check, draft, or money order to the tax commissioner, as a tax, a sum equal to the following percentages of the total of all money wagered on simulcast racing programs on that day:

- (1) One per cent of the first two hundred thousand dollars wagered, or any part thereof;
- (2) Two per cent of the next one hundred thousand dollars wagered, or any part thereof;
- (3) Three per cent of the next one hundred thousand dollars wagered, or any part thereof;
- (4) Four per cent of all sums over four hundred thousand dollars wagered.

Except as otherwise provided in division (B) and subject to division (M) of this section, from the moneys paid to the tax commissioner by permit holders authorized to conduct harness or quarter horse racing, one-half of one per cent of all moneys wagered on that racing day shall be paid into the Ohio fairs fund; from the moneys paid to the tax commissioner by permit holders authorized to conduct harness racing, five-eighths of one per cent of all moneys wagered on that racing day shall be paid into the Ohio standardbred development fund; and from the moneys paid to the tax commissioner by permit holders authorized to conduct quarter horse racing, five-eighths of one per cent of all moneys wagered on that racing day shall be paid into the Ohio quarter horse development fund.

(D) In addition, subject to division (M) of this section, beginning on January 1, 1996, from the money paid to the tax commissioner as a tax under this section and section 3769.087 of the Revised Code by harness horse permit holders, one-half of one per cent of the amount wagered on a racing day shall be paid into the Ohio standardbred development fund. Beginning January 1, 1998, the payment to the Ohio standardbred development fund required under division (D) of this section does not apply

to county agricultural societies or independent agricultural societies.

During calendar year 1994, the total amount paid to the Ohio standardbred development fund under this division, division (C) of this section, and section 3769.087 of the Revised Code and the total amount paid to the Ohio quarter horse development fund under this division and that section shall not exceed by more than six per cent the total amount paid to each of these funds under this division and that section during calendar year 1990. During each calendar year after calendar year 1994, the total amount paid to each of these funds shall not exceed by more than six per cent the total amount paid into the fund under this division, division (C) of this section, and section 3769.087 of the Revised Code in the immediately preceding calendar year.

(E) Subject to division (M) of this section, from the money paid as a tax under this chapter by harness and quarter horse permit holders, one-quarter of one per cent of the total of all moneys wagered on a racing day by each permit holder shall be paid into the state racing commission operating fund created by section 3769.03 of the Revised Code. This division does not apply to county and independent fairs and agricultural societies.

(F) Except as otherwise provided in section 3769.089 of the Revised Code, each permit holder authorized to conduct harness racing shall pat to the harness horsemen's purse pool a sum equal to fifty per cent of the pari-mutuel revenues retained by the permit holder as a commission after payment of the state tax. This fifty per cent payment is to be in addition to the purse distribution from breakage specified in this section.

(G) In addition, each permit holder authorized to conduct harness racing shall be allowed to retain the odd cents of all redistribution to be made on all mutuel contributions exceeding a sum equal to the next lowest multiple of ten.

Forty per cent of that portion of that total sum of such odd cents shall be used by the permit holder for purse money for Ohio sired, bred, and owned colts, for purse money for Ohio bred horses, and for increased purse money for horse races. Upon the formation of the corporation described in section 3769.21 of the Revised Code to establish a harness horsemen's health and retirement fund, twenty-five per cent of that portion of that total sum of odd cents shall be paid at the close of each racing day by the permit holder to such corporation to establish and fund the health and retirement fund. Until such corporation is formed, such twenty-five per cent shall be paid at the close of each racing day by the permit holder to the tax commissioner or the tax commissioner's agent in the county seat of the county in which the permit holder operates race meetings. The remaining thirty-five per cent of

that portion of that total sum of odd cents shall be retained by the permit holder.

(H) In addition, each permit holder authorized to conduct thoroughbred racing shall be allowed to retain the odd cents of all redistribution to be made on all mutuel contributions exceeding a sum equal to the next lowest multiple of ten. Twenty per cent of that portion of that total sum of such odd cents shall be used by the permit holder for increased purse money for horse races. Upon the formation of the corporation described in section 3769.21 of the Revised Code to establish a thoroughbred horsemen's health and retirement fund, forty-five per cent of that portion of that total sum of odd cents shall be paid at the close of each racing day by the permit holder to such corporation to establish and fund the health and retirement fund. Until such corporation is formed, such forty-five per cent shall be paid by the permit holder to the tax commissioner or the tax commissioner's agent in the county seat of the county in which the permit holder operates race meetings, at the close of each racing day. The remaining thirty-five per cent of that portion of that total sum of odd cents shall be retained by the permit holder.

(I) In addition, each permit holder authorized to conduct quarter horse racing shall be allowed to retain the odd cents of all redistribution to be made on all mutuel contributions exceeding a sum equal to the next lowest multiple of ten, subject to a tax of twenty-five per cent on that portion of the total sum of such odd cents ~~which that~~ is in excess of two thousand dollars during a calendar year, which tax shall be paid at the close of each racing day by the permit holder to the tax commissioner or the tax commissioner's agent in the county seat of the county within which the permit holder operates race meetings. Forty per cent of that portion of that total sum of such odd cents shall be used by the permit holder for increased purse money for horse races. The remaining thirty-five per cent of that portion of that total sum of odd cents shall be retained by the permit holder.

(J) To encourage the improvement of racing facilities for the benefit of the public, breeders, and horse owners, and to increase the revenue to the state from the increase in pari-mutuel wagering resulting from such improvements, the taxes paid by a permit holder to the state as provided for in this chapter shall be reduced by three-fourths of one per cent of the total amount wagered for those permit holders who make capital improvements to existing race tracks or construct new race tracks. The percentage of the reduction that may be taken each racing day shall equal seventy-five per cent of the tax levied under divisions (B) and (C) of this section and section 3769.087, and division (F)(2) of section 3769.26 of the Revised Code, as applicable, divided by the calculated amount each fund should receive under

divisions (B) and (C) of this section and section 3769.087, and division (F)(2) of section 3769.26 of the Revised Code and the reduction provided for in this division. If the resulting percentage is less than one, that percentage shall be multiplied by the amount of the reduction provided for in this division. Otherwise, the permit holder shall receive the full reduction provided for in this division. The amount of the allowable reduction not received shall be carried forward and applied against future tax liability. After any reductions expire, any reduction carried forward shall be treated as a reduction as provided for in this division. If more than one permit holder is authorized to conduct racing at the facility ~~which~~ that is being built or improved, the cost of the capital improvement shall be allocated between or among all the permit holders in the ratio that the permit holders' number of racing days bears to the total number of racing days conducted at the facility. Such reduction shall start from the day racing is first conducted following the date actual construction of the new race track or each capital improvement is completed and the construction cost has been certified by the racing commission, unless otherwise provided in this section. Such reduction shall continue for a period of twenty-five years for new race tracks and for fifteen years for new capital improvements if the construction of the improvement or new race track commenced prior to March 29, 1988, and for a period of ten years for new race tracks or new capital improvements if the construction of the improvement or new race track commenced on or after March 29, 1988, or until the total tax reduction reaches seventy per cent of the cost of the new race track or new capital improvement, as allocated to each permit holder, whichever occurs first. The tax reduction granted for any application approved by the racing commission after March 29, 1988, shall not commence nor shall the ten-year period begin to run until all prior tax reductions with respect to the same race track have ended. The total tax reduction because of capital improvements shall not during any one year exceed for all permit holders using any one track three-fourths of one per cent of the total amount wagered, regardless of the number of capital improvements made. Several improvements to a race track may be consolidated in an application if the commission approved the application prior to March 29, 1988. No permit holder may receive a tax reduction for a capital improvement approved by the racing commission on or after March 29, 1988, at a race track until all tax reductions have ended for all prior capital improvements approved by the racing commission under this section or section 3769.20 of the Revised Code at that race track. If there are two or more permit holders operating meetings at the same track, they may consolidate their applications. The racing commission shall notify the tax

commissioner when the diminution of tax begins and when it ends. Each fiscal year the commission shall submit a report to the tax commissioner, the office of budget and management, and the legislative budget office of the legislative service commission. The report shall identify each capital improvement project undertaken under this division and in progress at each race track, indicate the total cost of each such project, state the tax reduction that resulted from each such project during the immediately preceding fiscal year, estimate the tax reduction that will result from each such project during the current fiscal year, state the total tax reduction that resulted from all such projects at all race tracks during the immediately preceding fiscal year, and estimate the total tax reduction that will result from all such projects at all race tracks during the current fiscal year.

In order to qualify for the reduction in tax, a permit holder shall apply to the racing commission in such form as the commission may require and shall provide full details of the new racing track or capital improvement, including a schedule for its construction and completion, and set forth the costs and expenses incurred in connection therewith. The commission shall not approve an application unless the permit holder shows that a contract for the new race track or capital improvement has been let under an unrestricted competitive bidding procedure, unless the contract is exempted by the controlling board because of its unusual nature. In determining whether to approve an application, the commission shall consider whether the new track or capital improvement will promote the safety, convenience, and comfort of the racing public and horse owners and generally tend towards the improvement of racing in this state.

If a new track or capital improvement is approved by the commission and construction has started, the tax adjustment may be authorized by the commission upon presentation of copies of paid bills in excess of one hundred thousand dollars or ten per cent of the approved cost, whichever is greater. After the initial authorization, the permit holder shall present copies of paid bills. If the permit holder is in substantial compliance with the schedule for construction and completion of the track or capital improvement, the commission may authorize the continuation of the tax adjustment upon the presentation of such additional paid bills. The total amount of the tax adjustment authorized shall not exceed seventy per cent of the approved cost of the new track or capital improvement. The commission may terminate any tax adjustment immediately if a permit holder fails to complete the track or capital improvement, or to substantially comply with the schedule for construction and completion of the track or capital improvement. If a permit holder fails to complete a new track or capital

improvement, the commission shall order the permit holder to repay to the state the total amount of tax reduced. The normal tax paid by the permit holder shall be increased by three-fourths of one per cent of the total amount wagered until the total amount of the additional tax collected equals the total amount of tax reduced.

As used in this section, "capital improvement" means an addition, replacement, or remodeling of a structural unit of a race track facility costing at least one hundred thousand dollars, including, but not limited to, the construction of barns used exclusively for such race track facility, backstretch facilities for horsemen, paddock facilities, new pari-mutuel and totalizator equipment and appurtenances thereto purchased by the track, new access roads, new parking areas, the complete reconstruction, reshaping, and leveling of the race track and appurtenances, the installation of permanent new heating or air conditioning, and installations of a permanent nature forming a part of the track structure. "Capital improvement" does not include the cost of replacement of equipment that is not permanently installed, ordinary repairs, painting, and maintenance required to keep a race track facility in ordinary operating condition. "New race track" or "new racing track" includes the reconstruction of a race track damaged by fire or other cause ~~which~~ that has been declared by the racing commission, as a result of the damage, to be an inadequate facility for the safe operation of horse racing.

The commission shall not approve an application for a tax reduction under this section if it has reasonable cause to believe that the actions or negligence of the permit holder substantially contributed to the damage suffered by the track due to fire or other cause. The commission shall obtain any data or information available from a fire marshal, law enforcement official, or insurance company concerning any fire or other damage suffered by a track, prior to approving an application for a tax reduction.

The cost and expenses to which a tax reduction applies shall be determined by generally accepted accounting principles and verified by an audit of the permit holder's records upon completion of the project by the commission, or by an independent certified public accountant selected by the permit holder and approved by the commission.

The tax reductions for capital improvements and new tracks provided for in this division apply only to tax reductions approved by the state racing commission prior to the effective date of this amendment.

(K) No other license or excise tax or fee, except as provided in sections 3769.01 to 3769.14 of the Revised Code, shall be assessed or collected from such licensee by any county, township, district, municipal corporation, or

other body having power to assess or collect a tax or fee. That portion of the tax paid under this section by permit holders for racing conducted at and during the course of an agricultural exposition or fair, and that portion of the tax that would have been paid by eligible permit holders into the PASSPORT fund as a result of racing conducted at and during the course of an agricultural exposition or fair, shall be deposited into the state treasury to the credit of the horse racing tax fund, which is hereby created for the use of the agricultural societies of the several counties in which the taxes originate. The state racing commission shall determine eligible permit holders for purposes of the preceding sentence, taking into account the breed of horse, the racing dates, the geographic proximity to the fair, and the best interests of Ohio racing. On the first day of any month on which there is money in the fund, the director of budget and management shall provide for payment to the treasurer of each agricultural society the amount of the taxes collected under this section upon racing conducted at and during the course of any exposition or fair conducted by such society.

(L) From the tax paid under this section by harness track permit holders, the tax commissioner shall pay into the Ohio thoroughbred race fund a sum equal to a percentage of the amount wagered upon which such tax is paid. The percentage shall be determined by the tax commissioner and shall be rounded to the nearest one-hundredth. The percentage shall be such that, when multiplied by the amount wagered upon which tax was paid by the harness track permit holders in the most recent year for which final figures are available, it results in a sum that substantially equals the same amount of tax paid by the tax commissioner during that year into the Ohio fairs fund from taxes paid by thoroughbred permit holders. This division does not apply to county and independent fairs and agricultural societies.

(M) Twenty-five per cent of the taxes levied on thoroughbred-racing permit holders, harness-racing permit holders, and quarter horse racing permit holders under this section, section 3769.087, and division (F)(2) of section 3769.26 of the Revised Code shall be paid to the PASSPORT fund. The tax commissioner shall pay any money remaining after payment to the PASSPORT fund and the reductions provided for in division (J) of this section and in section 3769.20 of the Revised Code into the Ohio fairs fund, Ohio thoroughbred race fund, Ohio standardbred development fund, Ohio quarter horse fund, and state racing commission operating fund as prescribed in this section and section 3769.087 of the Revised Code; except that the state racing commission operating fund shall not receive more than two million five hundred thousand dollars in any calendar year. The tax commissioner shall thereafter use and apply the balance of the money paid

as a tax by any permit holder to cover any shortage in the accounts of such funds resulting from an insufficient payment as a tax by any other permit holder. The moneys received by the tax commissioner shall be deposited weekly and paid by the tax commissioner into the funds to cover the total aggregate amount due from all permit holders to the funds, as calculated under this section and section 3769.087 of the Revised Code, as applicable. If, after payment to the PASSPORT fund, sufficient funds are not available from the tax deposited by the tax commissioner to pay the required amount into the Ohio fairs fund, Ohio standardbred development fund, Ohio thoroughbred race fund, Ohio quarter horse fund, and the state racing commission operating fund, the tax commissioner shall prorate on a proportional basis the amount paid to each of the funds. Any shortage to the funds as a result of a proration shall be applied against future deposits for the same calendar year when funds are available. After this application, the tax commissioner shall pay any remaining money paid as a tax by all permit holders into the PASSPORT fund. If the Ohio fairs fund does not receive two million five hundred thousand dollars in calendar year 1997 or 1998, the tax commissioner shall pay into the Ohio fairs fund, on a prorated basis, money that would have been paid into the Ohio thoroughbred race fund, Ohio standardbred development fund, Ohio quarter horse development fund, and state racing commission operating fund and the portion that was retained by the tracks the previous calendar year as a reduction provided for in division (J) of this section and section 3769.20 of the Revised Code until the previous year's deficiency is met. Each track that has an existing reduction shall increase its reduction credit balance by the amount determined by the tax commissioner that is needed to meet its prorated portion of the Ohio fairs fund deficiency. The credit balance increase shall be paid to the tax commissioner as a tax. This division does not apply to permit holders conducting racing at the course of an agricultural exposition or fair as described in division (K) of this section.

Sec. 5705.19. This section does not apply to school districts or county school financing districts.

The taxing authority of any subdivision at any time and in any year, by vote of two-thirds of all the members of the taxing authority, may declare by resolution and certify the resolution to the board of elections not less than seventy-five days before the election upon which it will be voted that the amount of taxes that may be raised within the ten-mill limitation will be insufficient to provide for the necessary requirements of the subdivision and that it is necessary to levy a tax in excess of that limitation for any of the following purposes:

- (K) For the maintenance and operation of a county home;
- (L) For community mental retardation and developmental disabilities programs and services pursuant to Chapter 5126. of the Revised Code, except that the procedure for such levies shall be as provided in section 5705.222 of the Revised Code;
- (M) For regional planning;
- (N) For a county's share of the cost of maintaining and operating schools, district detention homes, forestry camps, or other facilities, or any combination thereof established under section 2151.34 or 2151.65 of the Revised Code or both of those sections;
- (O) For providing for flood defense, providing and maintaining a flood wall or pumps, and other purposes to prevent floods;
- (P) For maintaining and operating sewage disposal plants and facilities;
- (Q) For the purpose of purchasing, acquiring, constructing, enlarging, improving, equipping, repairing, maintaining, or operating, or any combination of the foregoing, a county transit system pursuant to sections 306.01 to 306.13 of the Revised Code, or to make any payment to a board of county commissioners operating a transit system or a county transit board pursuant to section 306.06 of the Revised Code;
- (R) For the subdivision's share of the cost of acquiring or constructing any schools, forestry camps, detention homes, or other facilities, or any combination thereof under section 2151.34 or 2151.65 of the Revised Code or both of those sections;
- (S) For the prevention, control, and abatement of air pollution;
- (T) For maintaining and operating cemeteries;
- (U) For providing ambulance service, emergency medical service, or both;
- (V) For providing for the collection and disposal of garbage or refuse;
- (W) For the payment of the ~~police~~ police employer's contribution or the ~~firemen~~ firefighters employer's contribution required under sections 742.33 and 742.34 of the Revised Code;
- (X) For the construction and maintenance of a drainage improvement pursuant to section 6131.52 of the Revised Code;
- (Y) For providing or maintaining senior citizens services or facilities as authorized by section 307.694, 307.85, 505.70, 505.706, or division (EE) of section 717.01 of the Revised Code;
- (Z) For the provision and maintenance of zoological park services and facilities as authorized under section 307.76 of the Revised Code;
- (AA) For the maintenance and operation of a free public museum of art, science, or history;

(BB) For the establishment and operation of a 9-1-1 system, as defined in section 4931.40 of the Revised Code;

(CC) For the purpose of acquiring, rehabilitating, or developing rail property or rail service. As used in this division, "rail property" and "rail service" have the same meanings as in section 4981.01 of the Revised Code. This division applies only to a county, township, or municipal corporation.

(DD) For the purpose of acquiring property for, constructing, operating, and maintaining community centers as provided for in section 755.16 of the Revised Code;

(EE) For the creation and operation of an office or joint office of economic development, for any economic development purpose of the office, and to otherwise provide for the establishment and operation of a program of economic development pursuant to sections 307.07 and 307.64 of the Revised Code;

(FF) For the purpose of acquiring, establishing, constructing, improving, equipping, maintaining, or operating, or any combination of the foregoing, a township airport, landing field, or other air navigation facility pursuant to section 505.15 of the Revised Code;

(GG) For the payment of costs incurred by a township as a result of a contract made with a county pursuant to section 505.263 of the Revised Code in order to pay all or any part of the cost of constructing, maintaining, repairing, or operating a water supply improvement;

(HH) For a board of township trustees to acquire, other than by appropriation, an ownership interest in land, water, or wetlands, or to restore or maintain land, water, or wetlands in which the board has such an interest, not for purposes of recreation, but for the purposes of protecting and preserving the natural, scenic, open, or wooded condition of the land, water, or wetlands against modification or encroachment resulting from occupation, development, or other use;

(II) For the support by a county of a crime victim assistance program that is provided and maintained by a county agency or a private, nonprofit corporation or association under section 307.62 of the Revised Code;

(JJ) For any or all of the purposes set forth in division (I) or (J) of this section. This division applies only to a township.

(KK) For a countywide public safety communications system under section 307.63 of the Revised Code. This division applies only to counties.

(LL) For the support by a county of criminal justice services under section 307.45 of the Revised Code;

(MM) For the purpose of maintaining and operating a jail or other detention facility as defined in section 2921.01 of the Revised Code;

(NN) For purchasing, maintaining, or improving, or any combination of the foregoing, real estate on which to hold agricultural fairs. This division applies only to a county.

The resolution shall be confined to the purpose or purposes described in one division of this section, for which the revenue derived therefrom shall be applied. The existence in any other division of this section of authority to levy a tax for any part or all of the same purpose or purposes does not preclude the use of such revenues for any part of the purpose or purposes of the division under which the resolution is adopted.

The resolution shall specify the amount of the increase in rate that it is necessary to levy, the purpose thereof, and the number of years during which the increase in rate shall be in effect, which may or may not include a levy upon the duplicate of the current year. The number of years may be any number not exceeding five, except as follows:

(1) When the additional rate is for the payment of debt charges, the increased rate shall be for the life of the indebtedness.

(2) When the additional rate is any of the following, the increased rate shall be for a continuing period of time:

(a) For the current expenses for a detention home district, a district organized under section 2151.65 of the Revised Code, or a combined district organized under sections 2151.34 and 2151.65 of the Revised Code;

(b) For providing a county's share of the cost of maintaining and operating schools, district detention homes, forestry camps, or other facilities, or any combination thereof, established under section 2151.34 or 2151.65 of the Revised Code or under both of those sections.

(3) When the additional rate is for any of the following, the increased rate may be for a continuing period of time:

(a) For the purposes set forth in division (I), (J), (U), or (KK) of this section;

(b) For the maintenance and operation of a joint recreation district;

(c) A levy imposed by a township for the purposes set forth in division (G) of this section.

(4) When the increase is for the purpose set forth in division (D) or (CC) of this section, the tax levy may be for any specified number of years or for a continuing period of time, as set forth in the resolution.

(5) When the additional rate is for the purpose described in division (Z) of this section, the increased rate shall be for any number of years not exceeding ten.

A levy for the purposes set forth in division (I), (J), or (U) of this section, and a levy imposed by a township for the purposes set forth in

on (G) of this section, may be reduced pursuant to section 5705.261 or 5705.31 of the Revised Code. A levy for the purposes set forth in division (I), (J), or (U) of this section, and a levy imposed by a township for the purposes set forth in division (G) of this section, may also be terminated or permanently reduced by the taxing authority if it adopts a resolution stating that the continuance of the levy is unnecessary and the levy shall be terminated or that the millage is excessive and the levy shall be decreased by a designated amount.

A resolution of a detention home district, a district organized under section 2151.65 of the Revised Code, or a combined district organized under both sections 2151.34 and 2151.65 of the Revised Code may include both current expenses and other purposes, provided that the resolution shall apportion the annual rate of levy between the current expenses and other purpose or purposes. The apportionment need not be the same for each year of the levy, but the respective portions of the rate actually levied each year for the current expenses and the other purpose or purposes shall be limited by the apportionment.

Whenever a board of county commissioners, acting either as the taxing authority of its county or as the taxing authority of a sewer district or subdistrict created under Chapter 6117. of the Revised Code, by resolution declares it necessary to levy a tax in excess of the ten-mill limitation for the purpose of constructing, improving, or extending sewage disposal plants or sewage systems, the tax may be in effect for any number of years not exceeding twenty, and the proceeds thereof, notwithstanding the general provisions of this section, may be used to pay debt charges on any obligations issued and outstanding on behalf of the subdivision for the purposes enumerated in this paragraph, provided that any such obligations have been specifically described in the resolution.

The resolution shall go into immediate effect upon its passage, and no publication of the resolution is necessary other than that provided for in the notice of election.

When the electors of a subdivision have approved a tax levy under this section, the taxing authority of the subdivision may anticipate a fraction of the proceeds of the levy and issue anticipation notes in accordance with section 5705.191 or 5705.193 of the Revised Code.

SECTION 2. That existing sections 1711.081, 1711.15, 1711.16, 1711.17, 3769.08, and 5705.19 of the Revised Code are hereby repealed.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ___ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____