

AN ACT

To amend sections 323.131 and 323.153 and to enact section 5713.011 of the Revised Code to provide for notification to homeowners of their right to the 2-1/2 per cent reduction in property taxes, to require an application for the tax reduction to be incorporated into any forms used by county auditors to administer the tax law in respect to the conveyance of real property, and to authorize the conveyance of state-owned real estate in Cuyahoga County to HDH Mechanical, Inc.

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

SECTION 1. That sections 323.131 and 323.153 be amended and section 5713.011 of the Revised Code be enacted to read as follows:

Sec. 323.131. Each tax bill prepared and mailed or delivered under section 323.13 of the Revised Code shall be in the form and contain the information required by the tax commissioner. The commissioner may prescribe different forms for each county and may authorize the county auditor to make up tax bills and tax receipts to be used by the county treasurer. For any county in which the board of county commissioners has granted a partial property tax exemption on homesteads under section 323.158 of the Revised Code, the commissioner shall require that the tax bills for those homesteads include a notice of the amount of the tax reduction that results from the partial exemption. In addition to the information required by the commissioner, each tax bill shall contain the following information:

(A) The taxes levied and the taxes charged and payable against the property;

(B) The effective tax rate. The words "effective tax rate" shall appear in boldface type.

(C) The following notices:

(1) "Notice: If the taxes are not paid within one year from the date they are due, the property is subject to foreclosure for tax delinquency." Failure

to provide such notice has no effect upon the validity of any tax foreclosure to which a property is subjected.

(2) "Notice: If the taxes charged against this parcel have been reduced by the 2-1/2 per cent tax reduction for ~~owner-occupied homesteads and residences occupied by the owner~~ but the property is not a residence occupied by the owner, the owner must notify the county auditor's office not later than March 31, (insert the year following the year for which the taxes are due). Failure to do so may result in the owner being convicted of a fourth degree misdemeanor, which is punishable by imprisonment up to 30 days, a fine up to \$250, or both, and in the owner having to repay the amount by which the taxes were erroneously or illegally reduced, plus any interest that may apply.

If the taxes charged against this parcel have not been reduced by the 2-1/2 per cent tax reduction and the parcel includes a residence occupied by the owner, the parcel may qualify for the tax reduction. To obtain an application for the tax reduction or further information, the owner may contact the county auditor's office at (insert the address and telephone number of the county auditor's office)."

(D) For a tract or lot on the real property tax suspension list under section 319.48 of the Revised Code, the following notice: "Notice: The taxes shown due on this bill are for the current year only. Delinquent taxes, penalties, and interest also are due on this property. Contact the county treasurer to learn the total amount due."

The tax bill shall not contain or be mailed or delivered with any information or material that is not required by this section or that is not authorized by section 321.45 of the Revised Code or by the tax commissioner.

Sec. 323.153. (A) To obtain a reduction in real property taxes under division (A) or (B) of section 323.152 of the Revised Code, the owner shall file an application with the county auditor of the county in which ~~his~~ the owner's homestead is located.

(1) An application for reduction based upon a physical disability shall be accompanied by a certificate signed by a physician, and an application for reduction based upon a mental disability shall be accompanied by a certificate signed by a physician or psychologist licensed to practice in this state, attesting to the fact that the applicant is permanently and totally disabled. The certificate shall be in a form that the tax commissioner requires and shall include the definition of permanently and totally disabled as set forth in section 323.151 of the Revised Code. An application for reduction based upon a disability certified as permanent and total by a state

or federal agency having the function of so classifying persons shall be accompanied by a certificate from that agency. Such an application constitutes a continuing application for a reduction in taxes for each year in which the dwelling is the applicant's homestead and the amount of the reduction in taxable value to which ~~he~~ the applicant is entitled does not exceed either the amount or percentage of the reduction to which ~~he~~ the applicant was entitled for the year in which the application was first filed.

(2) An application for a reduction in taxes under division (B) of section 323.152 of the Revised Code shall be filed only if the homestead was transferred in the preceding year or did not qualify for and receive the reduction in taxes under that division for the preceding tax year. The application shall be incorporated into any form used by the county auditor to administer the tax law in respect to the conveyance of real property pursuant to section 319.20 of the Revised Code, and shall contain a statement that failure by the applicant to affirm on the application that the dwelling on the property conveyed is the applicant's homestead disqualifies the owner from receiving the reduction in taxes under this division. Such an application constitutes a continuing application for a reduction in taxes for each year in which the dwelling is the applicant's homestead.

(3) Failure to receive a new application filed under division (A)(1) or (2) or notification under division (C) of this section after a certificate of reduction has been issued under section 323.154 of the Revised Code is prima-facie evidence that the original applicant is entitled to the reduction in taxes calculated on the basis of the information contained in ~~his~~ the original application. The original application and any subsequent application, including any late application, shall be in the form of a signed statement and shall be filed after the first Monday in January and not later than the first Monday in June. The statement shall be on a form, devised and supplied by the tax commissioner, which shall require no more information than is necessary to establish the applicant's eligibility for the reduction in taxes and the amount of the reduction and shall include an affirmation by the applicant that ownership of the homestead was not acquired from a person, other than ~~his~~ a spouse, related to the owner by consanguinity or affinity for the purpose of qualifying for the real property tax reduction provided for in division (A) or (B) of section 323.152 of the Revised Code. The form shall contain a statement that conviction of willfully falsifying information to obtain a reduction in taxes or failing to comply with division (C) of this section results in the revocation of the right to the reduction for a period of three years. In the case of an application for a reduction in taxes under division (A) of section 323.152 of the Revised Code, the form shall contain

a statement that signing the application constitutes a delegation of authority by the applicant to the county auditor to examine any financial records relating to income earned by the applicant as stated on the application for the purpose of determining possible violation of division (D) or (E) of this section.

(B) A late application for a tax reduction for the year preceding the year in which an original application is filed may be filed with the original application. If the county auditor determines the information contained in the late application is correct, ~~he~~ the auditor shall determine the amount of the reduction in taxes to which the applicant would have been entitled for the preceding tax year had ~~his~~ the application been timely filed and approved in that year.

The amount of such reduction shall be treated by the auditor as an overpayment of taxes by the applicant and shall be refunded in the manner prescribed in section 5715.22 of the Revised Code for making refunds of overpayments. On the first day of July of each year, the county auditor shall certify the total amount of the reductions in taxes made in the current year under this division to the tax commissioner, who shall treat the full amount thereof as a reduction in taxes for the preceding tax year and shall make reimbursement to the county therefor in the manner prescribed by section 323.156 of the Revised Code, from money appropriated for that purpose.

(C) If, in any year after an application has been filed under division (A)(1) or (2) of this section, the owner does not qualify for a reduction in taxes on the homestead set forth on such application, or qualifies for a reduction in taxes that is to be based upon a reduction in taxable value less than either the percentage or amount of the reduction in taxable value to which ~~he~~ the owner was entitled in the year the application was filed, the owner shall notify the county auditor that ~~he~~ the owner is not qualified for a reduction in taxes or file a new application under division (A)(1) or (2) of this section. If the county auditor or county treasurer discovers that the owner of property not entitled to the reduction in taxes under division (B) of section 323.152 of the Revised Code failed to notify the county auditor as required by this paragraph, a charge shall be imposed against the property in the amount by which taxes were reduced under that division for each tax year the county auditor ascertains that the property was not entitled to the reduction and was owned by the current owner. Interest shall accrue in the manner PRESCRIBED by division (b) of section 323.121 of the Revised Code on the amount by which taxes were reduced for each such tax year as if the reduction became delinquent taxes at the close of the last day the second installment of taxes for that tax year could be paid without penalty.

The county auditor shall notify the owner, by ordinary mail, of the charge, of the owner's right to appeal the charge, and of the manner in which the owner may appeal. the owner may appeal the imposition of the charge and interest by filing an appeal with the county board of revision not later than the last day prescribed for payment of real and public utility property taxes under section 323.12 of the Revised Code following receipt of the notice and occurring at least ninety days after receipt of the notice. the appeal shall be treated in the same manner as a complaint relating to the valuation or assessment of real property under chapter 5715. of the Revised Code. The charge and any interest shall be collected as other delinquent taxes.

Each year during January, the county auditor shall furnish by ordinary mail a continuing application to each person issued a certificate of reduction under section 323.154 of the Revised Code with respect to a reduction in taxes under division (A) of section 323.152 of the Revised Code. The continuing application shall be used to report changes in total income that would have the effect of increasing or decreasing the reduction in taxable value to which the owner is entitled, changes in ownership of the homestead, including changes in or revocation of a revocable inter vivos trust, changes in disability, and other changes in the information earlier furnished the auditor relative to ~~his~~ the reduction in taxes on the property. The continuing application shall be returned to the auditor not later than the first Monday in June; provided, that if such changes do not affect the status of the homestead exemption or the amount of the reduction to which the owner is entitled under division (A) of section 323.152 of the Revised Code, the application does not need to be returned.

Each year during February, the county auditor, except as otherwise provided in this paragraph, shall furnish by ordinary mail an original application to the owner, as of the first day of January of that year, of a homestead that transferred during the preceding calendar year and that qualified for and received a reduction in taxes under division (B) of section 323.152 of the Revised Code for the preceding tax year. In order to receive the reduction under that division, the owner shall file the application with the county auditor not later than the first Monday in June. If the application is not timely filed, the auditor shall not grant a reduction in taxes for the homestead for the current year, and shall notify the owner that the reduction in taxes has not been granted, in the same manner prescribed under section 323.154 of the Revised Code for notification of denial of an application. Failure of an owner to receive an application ~~under this paragraph~~ does not excuse the failure of the owner to file an original application. The county auditor is not required to furnish an application under this paragraph for any

homestead for which application has previously been made on a form incorporated into or accompanying any form used by the county auditor to administer the tax law in respect to the conveyance of real property, and an owner who previously has applied on such a form is not required to return an application furnished under this paragraph.

(D) No person shall knowingly make a false statement for the purpose of obtaining a reduction in ~~his~~ real property taxes under section 323.152 of the Revised Code.

(E) No person shall knowingly fail to notify the county auditor of changes required by division (C) of this section which have the effect of maintaining or securing a reduction in taxable value of homestead property or a reduction in taxes in excess of the reduction allowed under section 323.152 of the Revised Code.

(F) No person shall knowingly make a false statement or certification attesting to any person's physical or mental condition for purposes of qualifying such person for tax relief pursuant to sections 323.151 to 323.157 of the Revised Code.

Sec. 5713.011. If the county auditor determines under section 5713.01 Of the Revised Code that the construction of a dwelling on a previously vacant parcel of land is not available for use or that an additional dwelling is constructed on a parcel of land and is now available for use, the county auditor, by ordinary mail, shall send to the owner of the dwelling a notice that the applicant may apply for a reduction in taxes under division (A)(2) of section 323.153 Of the Revised Code. The notice shall be substantially in the form of the notice prescribed under division (C)(2) of section 323.131 Of the Revised Code.

SECTION 2. That existing sections 323.131 and 323.153 of the Revised Code are hereby repealed.

SECTION 3. Sections 323.131 and 323.153 of the Revised Code, as amended by this act, and section 5713.011 of the Revised Code, as enacted by this act, apply to reductions in taxes under division (B) of section 323.152 of the Revised Code for tax years 1998 and thereafter.

SECTION 4. Not later than February following the effective date of this act, each county auditor, by ordinary mail, shall send a notice substantially in the form of the notice prescribed by division (C)(2) of section 323.131 of

the Revised Code, as amended by this act, to each owner of residential real property if all of the following apply:

(1) The property was conveyed during tax years 1995 through December 31 following the effective date of this act;

(2) Such property is not receiving the two and one-half per cent tax reduction;

(3) The owner does not receive a tax bill for the property because the bill is mailed or delivered to an agent of the owner or taxes are billed through an information exchange agreement under section 323.134 of the Revised Code;

(4) The county auditor has not previously mailed to the owner a notice substantially in the form of the notice prescribed by division (C)(2) of section 323.131 of the Revised Code, as amended by this act.

SECTION 5. (A) The Governor is hereby authorized to execute a deed in the name of the state conveying to HDH Mechanical, Inc., and its successors and assigns, all of the state's right, title, and interest in the following described real estate, which is a warehouse, situated in the City of Bedford Heights, County of Cuyahoga, State of Ohio, being part of original Bedford Township Lot No. 8, being more fully described as follows:

Beginning on the centerline of Miles Road, N 89°52'50" W, 30.00 feet from the centerline of Corbin Drive as appears by the dedication plat of said Corbin Drive as recorded in map Volume 193, Page 64 & 68 of Cuyahoga County Records, said point being witnessed by an iron monument found, N 89°52'50" W, 567.66 on the centerline of Miles Road at the centerline of Green Road;

Thence, S 00°00'45" E, 270.27 feet along the westerly line of said Corbin Drive to a 5/8" iron pin set at the True Place of Beginning for the parcel intended to be described herein;

Thence, S 00°00'45" E, along the west line of Corbin Drive 217.00 feet to a 5/8" iron pin found;

Thence, N 89°52'50" W, 402.47 feet to an 5/8"; iron pin set;

Thence, N 00°00'45" W, 217.00 feet to a 5/8" iron pin set;

Thence, S 89°52'50" E, 402.47 feet to the True Place of Beginning and containing 2.005 acres of land, but subject to all legal highways, easements and restrictions, if any, as surveyed by Robert J. Warner, P.S., Number 6931 for Environmental Design Group, Inc. in May 1996.

(B) Consideration for conveyance of the real estate described in division (A) of this section is a purchase price of four hundred thousand dollars and no cents (\$400,000.00).

(C) The proceeds of the conveyance of the real estate described in division (A) of this section shall be deposited as follows:

(1) Three hundred ninety thousand dollars (\$390,000.00) shall be deposited into the state treasury to the credit of the Department of Mental Health Trust Fund, created by section 5119.18 of the Revised Code;

(2) Ten thousand dollars (\$10,000.00) shall be deposited into the treasury of the City of Bedford Heights for those costs incurred by the City to reconnect utility services and prepare the real estate for sale.

(D) Upon payment of the purchase price by HDH Mechanical, Inc., the Auditor of State, with the assistance of the Attorney General, shall prepare a deed to the real estate. The deed shall state the consideration set forth in division (B) of this section. The deed shall be executed by the Governor in the name of the state, countersigned by the Secretary of State, sealed with the Great Seal of the State, presented in the Office of the Auditor of State for recording, and delivered to HDH Mechanical, Inc. HDH Mechanical, Inc. shall present the deed for recording in the Office of the Cuyahoga County Recorder.

(E) HDH Mechanical, Inc. shall pay the costs of the conveyance of the real estate described in division (A) of this section.

(F) This section expires one year after its effective date.

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 _____