

AN ACT

To amend section 5731.49 of the Revised Code to prohibit the charging of interest on recoupments of erroneously distributed estate tax revenue, to provide a procedure for converting certain municipal permanent property tax levies to five-year term levies, subject to voter approval, and to repeal Section 3 of this act, effective January 1, 2004.

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

SECTION 1. That section 5731.49 of the Revised Code be amended to read as follows:

Sec. 5731.49. At each semiannual settlement provided for by section 5731.46 of the Revised Code, the county auditor shall certify to the county auditor of any other county in which is located in whole or in part any municipal corporation or township to which any of the taxes collected under this chapter and not previously accounted for, is due, a statement of the amount of such taxes due to each corporation or township in such county entitled to share in the distribution thereof. The amount due upon such settlement to each such municipal corporation or township, and to each municipal corporation and township in the county in which the taxes are collected, shall be paid upon the warrant of the county auditor to the county treasurer or other proper officer of such municipal corporation or township. The amount of any refund chargeable against any such municipal corporation or township at the time of making such settlement, shall be adjusted in determining the amount due to such municipal corporation or township at such settlement; provided that if the municipal corporation or township against which such refund is chargeable is not entitled to share in the fund to be distributed at such settlement, the auditor shall draw ~~his~~ a warrant for the amount in favor of the treasurer payable from any undivided general taxes in the possession of such treasurer, unless such municipal corporation or township is located in another county, in which event the auditor shall issue a certificate for such amount to the auditor of the proper

county, who shall draw a like warrant therefor payable from any undivided general taxes in the possession of the treasurer of such county. In either case at the next semiannual settlement of such undivided general taxes, the amount of such warrant shall be deducted from the distribution of taxes of such municipal corporation or township and charged against the proceeds of levies for the general fund of such municipal corporation or township, and a similar deduction shall be made at each next semiannual settlement of such undivided general taxes until such warrant has been satisfied in full.

If it is discovered that an amount of taxes collected under this chapter has been paid in error to a township or municipal corporation to which the taxes are not due under this chapter, the township or municipal corporation to which the amount was erroneously paid, when repaying that amount to any subdivision to which the taxes were due, shall not be required to pay interest on that amount.

SECTION 2. That existing section 5731.49 of the Revised Code is hereby repealed.

SECTION 3. (A) As used in this section, "qualifying continuing tax" means a tax authorized to be levied by the legislative authority of a municipal corporation for a continuing period of time for a purpose other than those enumerated in divisions (D), (I), (J), (U), (CC), and (KK) of section 5705.19 of the Revised Code pursuant to a ballot proposition submitted and approved by electors of a municipal corporation under section 5705.19 or 5705.191 and section 5705.25 of the Revised Code before the effective date of this act.

(B) Notwithstanding section 5705.19 or 5705.191 of the Revised Code to the contrary, any qualifying continuing tax shall continue to be levied through the following tax year, whichever tax year ends earliest:

- (1) Tax year 2003;
- (2) The tax year immediately preceding the first tax year in which the tax approved pursuant to division (C) of this section is levied;
- (3) A tax year as may be designated by resolution of the legislative authority.

(C) The legislative authority of a municipal corporation levying a qualifying continuing tax may declare by resolution that, upon the expiration or termination of the tax pursuant to division (B) of this section, the amount of taxes that may be raised within the ten-mill limitation will be insufficient to provide for the necessary requirements of the municipal corporation, and

that it is therefore necessary to replace that tax by levying a tax in excess of that limitation for the same purpose for which that tax is levied. The resolution shall state the rate of the tax, which shall not exceed the rate of the qualifying continuing tax; the number of years the tax is to be levied, which may not exceed five years; and the first year in which the tax is to be levied, which shall be the tax year ensuing the tax year in which the election is held. The legislative authority shall cause a copy of the resolution to be certified to the county board of elections not later than seventy-five days before the day of the election at which the question of the tax will be submitted. The question of the tax may be submitted at any special election, as defined in section 3501.01 of the Revised Code, held in the municipal corporation on a date consistent with division (D) of that section, but not later than November 4, 2003.

Upon receiving the copy of the resolution, the board of elections shall make the necessary arrangements for submission of the question, and the election shall be conducted, canvassed, and certified in the manner provided under section 5705.25 of the Revised Code, and the board shall provide notice of the election as prescribed by that section.

The form of the ballot shall be as follows:

"A tax to replace an existing tax for the benefit of (name of municipal corporation) for the purpose of (purpose of the tax) at a rate not exceeding mills per dollar of valuation, which amounts to (rate expressed in dollars and cents) per one hundred dollars in valuation for (number of years for which the tax will be levied).

For the replacement tax

Against the replacement tax

(D) The question of the tax shall be submitted as a separate proposition but may be printed on the same ballot with any other proposition submitted at the same election other than the election of officers. Immediately after the canvass, the board of elections shall certify the results of the election to the Tax Commissioner and the legislative authority. A tax levied pursuant to this section shall be considered to be a tax levied pursuant to section 5705.19 or section 5705.191 and sections 5705.25 and 5705.26 of the Revised Code for the purpose of any section of the Revised Code referring to taxes levied pursuant to those sections. For the purpose of division (D)(1) of section 319.301 of the Revised Code, a tax levied pursuant to this section shall be considered to be a renewal of an existing tax, and not a replacement levy under section 5705.192 of the Revised Code.

If a majority of electors voting on the question vote in favor thereof, the legislative authority shall certify the levy to the county auditor, who shall extend it on the tax lists for the succeeding tax year; the qualifying continuing tax that is replaced shall not be extended on the tax list in any succeeding tax year. If a majority of electors voting on the question do not vote in favor thereof, the qualifying continuing tax shall continue to be extended on the tax lists as prescribed in division (B)(1), (2), or (3) of this section.

(E) If a majority of electors voting on the question vote in favor thereof, the legislative authority may anticipate a fraction of the proceeds of the levy by issuing anticipation notes prior to the first collection of taxes from the levy. The principal amount of the notes shall not exceed fifty per cent of the total estimated proceeds of the levy throughout the term of the levy. The notes shall be issued pursuant to section 133.24 of the Revised Code.

(F) This section is supplemental to sections 5705.19 and 5705.191 of the Revised Code.

SECTION 4. Section 3 of this act is hereby repealed, effective January 1, 2004.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

Am. H. B. No. 301

6

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 _____