

As Introduced

**127th General Assembly
Regular Session
2007-2008**

H. B. No. 445

Representative Schlichter

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A B I L L

To require adjustments in a school district's state 1
education aid and Classroom Facilities Assistance 2
Program rankings to correct certifications of 3
tax-exempt property erroneously treated as taxable 4
property. 5

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

Section 1. (A) As used in this section: 6

(1) "Eligible school district" means a city, exempted 7
village, or local school district for which the certification of 8
taxable values made under division (A) of section 3317.021 of the 9
Revised Code for fiscal year 2007 and for fiscal year 2008 10
erroneously included at least ten million dollars in assessed 11
value of tax-exempt public utility property. 12

(2) "Tax-exempt public utility property" means real or 13
tangible personal property used in the provision of a public 14
utility service that was exempted from taxation for tax years 2005 15
and 2006 under section 5709.62 or 5709.63 of the Revised Code. 16

(3) "State education aid" has the same meaning as in section 17
5751.20 of the Revised Code, except that for fiscal year 2007, 18
state education aid includes both of the following: 19

(a) The transportation payment calculated under Section 20
206.09.21 of Am. Sub. H.B. 66 of the 126th General Assembly, as 21

amended, instead of division (D) of section 3317.022 of the Revised Code;

(b) Transitional aid calculated under Section 206.09.39 of that act, as amended.

(4) "2005 valuation adjustment" means the assessed value of tax-exempt public utility property that was included in the certification made under division (A) of section 3317.021 of the Revised Code for fiscal year 2007.

(5) "2006 valuation adjustment" means the assessed value of tax-exempt public utility property that was included in the certification made under division (A) of section 3317.021 of the Revised Code for fiscal year 2008.

(B)(1) The Department of Education shall recompute an eligible school district's state education aid for fiscal year 2007 by reducing the total taxable value certified for the district under division (A) of section 3317.021 of the Revised Code for that fiscal year by an amount equal to the 2005 valuation adjustment, and pay the district the increase in state education aid resulting from the recomputation. Each component of state education aid affected by the valuation adjustment shall be recomputed. Within forty-five days after the effective date of this section, the payment shall be made from money appropriated for fiscal year 2008 under the appropriation line items corresponding with the components of state education aid required to be recomputed under this division.

(2) The Department of Education shall recompute an eligible school district's state education aid for fiscal year 2008 by reducing the total taxable value certified for the district under division (A) of section 3317.021 of the Revised Code for that fiscal year by an amount equal to the 2006 valuation adjustment, and pay the district the increase in state education aid resulting

from the recomputation. Each component of state education aid 53
affected by the valuation adjustment shall be recomputed. The 54
payment shall be made from money appropriated for fiscal year 2008 55
under the appropriation line items corresponding with the 56
components of state education aid required to be recomputed under 57
this division. The amount of the payment shall be divided in equal 58
amounts among the remaining payments of state education aid 59
required to be made during fiscal year 2008 that have not been 60
paid before the effective date of this section, and paid at the 61
same time as those payments. 62

(3) The recomputed total taxable value and state education 63
aid recomputed under divisions (B)(1) and (2) of this section 64
shall be regarded as the district's total taxable value and state 65
education aid for fiscal year 2007 and 2008, respectively, for all 66
purposes of Chapter 3317. of the Revised Code; Am. Sub. H.B. 66 of 67
the 126th General Assembly, including the computation of 68
transitional aid under Section 206.09.39 of that act, as amended; 69
and Am. Sub. H.B. 119 of the 127th General Assembly, including 70
under Section 269.30.80 of that act. 71

(4) Any amounts payable under division (B)(1) or (2) of this 72
section shall be reduced by any amount paid under section 3317.026 73
of the Revised Code if the amount paid under that section was paid 74
on account of refunded taxes charged against tax-exempt public 75
utility property for tax year 2005 or 2006 and for which 76
recomputation is made under division (B) of this section. 77

(C) The Department of Education shall recompute an eligible 78
school district's adjusted valuation per pupil and average taxable 79
value for the purposes of ranking the district under section 80
3318.011 of the Revised Code, and determining the district's 81
portion of the basic project cost under section 3318.032 of the 82
Revised Code, for any such computation that includes the taxable 83
values certified for the district for tax year 2005 or 2006 under 84

division (A) of section 3317.021 of the Revised Code. For 85
computations of valuation per pupil or average taxable value that 86
include the taxable value certified for tax year 2005, the 87
recomputation shall incorporate the taxable values so certified 88
reduced by the 2005 valuation adjustment. For computations of 89
valuation per pupil or average taxable value that include the 90
taxable value certified for tax year 2006, the recomputation shall 91
incorporate the taxable values so certified reduced by the 2006 92
valuation adjustment. Within forty-five days after the effective 93
date of this act, the Department shall adjust the percentile 94
ranking of the district and perform the Department's other duties 95
under section 3318.011 of the Revised Code to reflect the 96
recomputations, and shall certify the recomputations and other 97
information required by that section to the Ohio School Facilities 98
Commission. The Commission shall adjust the portion of basic 99
project cost to be supplied by the district on the basis of the 100
department's certification. 101