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Sub. H. B. No. 458

Representative Uecker

**Cosponsors: Representatives Evans, McGregor, J., Huffman, Harwood,
Wagner, Bacon, Batchelder, Chandler, Combs, Daniels, Domenick, Dyer,
Flowers, Gerberry, Gibbs, Goyal, Hagan, J., Hughes, Letson, Newcomb,
Sayre, Schindel, Schlichter, Setzer, Zehringer**

**Senators Amstutz, Schaffer, Roberts, Sawyer, Buehrer, Fedor, Harris,
Kearney, Patton, Schuler, Seitz, Wagoner**

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A B I L L

To amend sections 505.60, 505.601, 5701.11, 5705.05, 1
5705.06, and 5709.121 of the Revised Code to 2
authorize townships to use money derived from the 3
general current expense levy for road and bridge 4
construction and repair, to make clarifying 5
changes to the laws authorizing a township to 6
provide health care insurance, to expressly 7
incorporate changes in the Internal Revenue Code 8
since December 21, 2007, into Ohio tax law, to 9
clarify qualifications for charitable institution 10
exemptions from property taxation, and to declare 11
an emergency. 12

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

Section 1. That sections 505.60, 505.601, 5701.11 5705.05, 13
5705.06, and 5709.121 of the Revised Code be amended to read as 14
follows: 15

Sec. 505.60. (A) As provided in this section and section 16
505.601 of the Revised Code, the board of township trustees of any 17
township may procure and pay all or any part of the cost of 18
insurance policies that may provide benefits for hospitalization, 19
surgical care, major medical care, disability, dental care, eye 20
care, medical care, hearing aids, prescription drugs, or sickness 21
and accident insurance, or a combination of any of the foregoing 22
types of insurance for township officers and employees. The board 23
of township trustees of any township may negotiate and contract 24
for the purchase of a policy of long-term care insurance for 25
township officers and employees pursuant to section 124.841 of the 26
Revised Code. 27

~~(B) If the board procures any insurance policies under this 28
section, the board shall provide uniform coverage under these 29
policies for township officers and full-time township employees 30
and their immediate dependents, and may provide coverage under 31
these policies for part-time township employees and their 32
immediate dependents, from the funds or budgets from which the 33
officers or employees are compensated for services, such policies 34
to be issued by an insurance company duly authorized to do 35
business in this state. ~~Any township officer or employee may 36
refuse to accept the insurance coverage without affecting the 37
availability of such insurance coverage to other township officers 38
and employees.~~ 39~~

(B) The board may also provide coverage for any or all of the 40
benefits described in division (A) of this section by entering 41
into a contract for group health care services with health 42
insuring corporations holding certificates of authority under 43
Chapter 1751. of the Revised Code for township officers and 44
employees and their immediate dependents. If the board so 45
contracts, it shall provide uniform coverage under any such 46
contracts for township officers and full-time township employees 47

and their immediate dependents, from the funds or budgets from 48
which the officers or employees are compensated for services, and 49
may provide coverage under such contracts for part-time township 50
employees and their immediate dependents, from the funds or 51
budgets from which the officers or employees are compensated for 52
services, provided that each officer and employee so covered is 53
permitted to: 54

(1) Choose between a plan offered by an insurance company and 55
a plan offered by a health insuring corporation, and provided 56
further that the officer or employee pays any amount by which the 57
cost of the plan chosen exceeds the cost of the plan offered by 58
the board under this section; 59

(2) Change the choice made under this division ~~(B) of this~~ 60
~~section~~ at a time each year as determined in advance by the board. 61

An addition of a class or change of definition of coverage to 62
the plan offered under this division by the board may be made at 63
any time that it is determined by the board to be in the best 64
interest of the township. If the total cost to the township of the 65
revised plan for any trustee's coverage does not exceed that cost 66
under the plan in effect during the prior policy year, the 67
revision of the plan does not cause an increase in that trustee's 68
compensation. 69

(C) Any township officer or employee may refuse to accept any 70
coverage authorized by this section without affecting the 71
availability of such coverage to other township officers and 72
employees. 73

(D) If any township officer or employee is denied coverage 74
under a health care plan procured under ~~division (B) of this~~ 75
section or if any township officer or employee elects not to 76
participate in the township's health care plan, the township may 77
reimburse the officer or employee for each out-of-pocket premium 78

~~that~~ attributable to the coverage provided for the officer or 79
employee ~~incurs~~ for insurance ~~policies~~ benefits described in 80
division (A) of this section that the officer or employee 81
otherwise obtains, but not to exceed an amount equal to the 82
average premium paid by the township for its officers and 83
employees under ~~policies~~ any health care plan it procures under 84
~~division (B)~~ of this section. 85

~~(D)~~(E) The board may provide the benefits authorized under 86
this section, without competitive bidding, by contributing to a 87
health and welfare trust fund administered through or in 88
conjunction with a collective bargaining representative of the 89
township employees. 90

The board may also provide the benefits described in this 91
section through an individual self-insurance program or a joint 92
self-insurance program as provided in section 9.833 of the Revised 93
Code. 94

~~(E)~~(F) If a board of township trustees fails to pay one or 95
more premiums for a policy, contract, or plan of insurance or 96
health care services authorized ~~by division (A) or (B) of~~ under 97
this section and the failure causes a lapse, cancellation, or 98
other termination of coverage under the policy, contract, or plan, 99
it may reimburse a township officer or employee for, or pay on 100
behalf of the officer or employee, any expenses incurred that 101
would have been covered under the policy, contract, or plan. 102

~~(F)~~(G) As used in this section and section 505.601 of the 103
Revised Code: 104

(1) "Part-time township employee" means a township employee 105
who is hired with the expectation that the employee will work not 106
more than one thousand five hundred hours in any year. 107

(2) "Premium" does not include any deductible or health care 108
costs paid directly by a township officer or employee. 109

Sec. 505.601. If a board of township trustees does not 110
procure an insurance policy or group health care services as 111
provided in section 505.60 of the Revised Code, the board of 112
township trustees may reimburse any township officer or employee 113
for each out-of-pocket premium attributable to the coverage 114
provided for that ~~the~~ officer or employee ~~incurs~~ for insurance 115
~~policies~~ benefits described in division (A) of section 505.60 of 116
the Revised Code that the officer or employee otherwise obtains, 117
if all of the following conditions are met: 118

(A) The board of township trustees adopts a resolution that 119
states that the township has chosen not to procure a health care 120
plan under section 505.60 of the Revised Code and has chosen 121
instead to reimburse its officers and employees for each 122
out-of-pocket premium ~~that they incur~~ attributable to the coverage 123
provided for them for insurance ~~policies~~ benefits described in 124
division (A) of section 505.60 of the Revised Code that they 125
otherwise obtain. 126

(B) That resolution provides for a uniform maximum monthly or 127
yearly payment amount for each officer or employee to cover 128
themselves and their immediate dependents, beyond which the 129
township will not reimburse the officer or employee. 130

(C) That resolution states the specific benefits listed in 131
division (A) of section 505.60 of the Revised Code for which the 132
township will reimburse all officers and employees of the 133
township. The township may not reimburse officers and employees 134
for benefits other than those listed in division (A) of section 135
505.60 of the Revised Code. 136

Sec. 5701.11. The effective date to which this section refers 137
is the effective date of this section as amended by ~~H.B. 157~~ Sub. 138
H.B. 458 of the 127th general assembly. 139

(A)(1) Except as provided under division (A)(2) or (B) of 140
this section, any reference in Title LVII of the Revised Code to 141
the Internal Revenue Code, to the Internal Revenue Code "as 142
amended," to other laws of the United States, or to other laws of 143
the United States, "as amended," means the Internal Revenue Code 144
or other laws of the United States as they exist on the effective 145
date. 146

(2) This section does not apply to any reference in Title 147
LVII of the Revised Code to the Internal Revenue Code as of a date 148
certain specifying the day, month, and year, or to other laws of 149
the United States as of a date certain specifying the day, month, 150
and year. 151

(B)(1) For purposes of applying section 5733.04, 5745.01, or 152
5747.01 of the Revised Code to a taxpayer's taxable year ending 153
after ~~December 28, 2006~~ December 21, 2007, and before the 154
effective date, a taxpayer may irrevocably elect to incorporate 155
the provisions of the Internal Revenue Code or other laws of the 156
United States that are in effect for federal income tax purposes 157
for that taxable year if those provisions differ from the 158
provisions that, under division (A) of this section, would 159
otherwise apply. The filing by the taxpayer for that taxable year 160
of a report or return that incorporates the provisions of the 161
Internal Revenue Code or other laws of the United States 162
applicable for federal income tax purposes for that taxable year, 163
and that does not include any adjustments to reverse the effects 164
of any differences between those provisions and the provisions 165
that would otherwise apply, constitutes the making of an 166
irrevocable election under this division for that taxable year. 167

(2) Elections under prior versions of division (B)(1) of this 169
section remain in effect for the taxable years to which they 170
apply. 171

Sec. 5705.05. The purpose and intent of the general levy for 172
current expenses is to provide one general operating fund derived 173
from taxation from which any expenditures for current expenses of 174
any kind may be made, ~~and the~~. The taxing authority of a political 175
subdivision may include in such levy the amounts required for 176
carrying into effect any of the general or special powers granted 177
by law to such subdivision, including the acquisition or 178
construction of permanent improvements and the payment of 179
judgments, but excluding the payment of debt charges and, in the 180
case of counties, the construction, reconstruction, resurfacing, 181
or repair of roads and bridges ~~in counties and townships and the~~ 182
~~payment of debt charges~~. The power to include in the general levy 183
for current expenses additional amounts for purposes for which a 184
special tax is authorized shall not affect the right or obligation 185
to levy such special tax. Without prejudice to the generality of 186
the authority to levy a general tax for any current expense, such 187
general levy shall include: 188

(A) The amounts certified to be necessary for the payment of 189
final judgments; 190

(B) The amounts necessary for general, special, and primary 191
elections; 192

(C) The amounts necessary for boards and commissioners of 193
health, and other special or district appropriating authorities 194
deriving their revenue in whole or part from the subdivision; 195

(D) In the case of municipal corporations, the amounts 196
necessary for the maintenance, operation, and repair of public 197
buildings, wharves, bridges, parks, and streets, for the 198
prevention, control, and abatement of air pollution, and for a 199
sanitary fund; 200

(E) In the case of counties, the amounts necessary for the 201
maintenance, operation, and repair of public buildings, for 202

providing or maintaining senior citizens services or facilities, 203
for the relief and support of the poor, for the relief of needy 204
blind, for the support of mental health, mental retardation, or 205
developmental disability services, for the relief of honorably 206
discharged soldiers, indigent soldiers, sailors, and marines, for 207
mothers' pension fund, support of soil and water conservation 208
districts, watershed conservancy districts, and educational 209
television, for the prevention, control, and abatement of air 210
pollution, and for the county's share of the compensation paid 211
judges; 212

(F) In the case of a school district, the amounts necessary 213
for tuition, the state teachers retirement system, and the 214
maintenance, operation, and repair of schools; 215

(G) In the case of a township, the amounts necessary for the 216
relief of the poor and for the prevention, control, and abatement 217
of air pollution. ~~This~~ 218

This section does not require the inclusion within the 219
general levy of amounts for any purpose for which a special levy 220
is authorized by section 5705.06 of the Revised Code. 221

Sec. 5705.06. The following special levies are hereby 222
authorized without vote of the people: 223

(A) A levy for any specific permanent improvement which the 224
subdivision is authorized by law to acquire, construct, or 225
improve, or any class of such improvements which could be included 226
in a single bond issue; 227

(B) A levy for the library purposes of the subdivision, in 228
accordance with the provisions of the Revised Code authorizing 229
levies for such purposes, but only to the extent so authorized; 230

(C) In the case of a municipal corporation, a levy for a 231
municipal university under section 3349.13 of the Revised Code, 232

but only to the extent authorized;	233
(D) In the case of a county, a levy for the construction,	234
reconstruction, resurfacing, and repair of roads and bridges,	235
other than state roads and bridges;	236
(E) In the case of a county, a levy for paying the county's	237
proportion of the cost of the construction, improvement, and	238
maintenance of state highways;	239
(F) In the case of a township, a levy for the construction,	240
reconstruction, resurfacing, and repair of roads and bridges,	241
excluding state roads and bridges, including the township's	242
portion of the cost of the construction, improvement, maintenance,	243
and repair of county roads and bridges;	244
(G) The levies prescribed by division (B) of sections 742.33	245
and 742.34 of the Revised Code.	246
Each such special levy shall be within the ten-mill	247
limitation and shall be subject to the control of the county	248
budget commission, as provided by sections 5705.01 to 5705.47 of	249
the Revised Code.	250
Except for the special levies authorized in <u>divisions (A),</u>	251
<u>(B), (C), (D), (E), and (G) of this section,</u> any authority granted	252
by the Revised Code to levy a special tax within the ten-mill	253
limitation for a current expense shall be construed as authority	254
to provide for such expense by the general levy for current	255
expenses.	256
Sec. 5709.121. (A) Real property and tangible personal	257
property belonging to a charitable or educational institution or	258
to the state or a political subdivision, shall be considered as	259
used exclusively for charitable or public purposes by such	260
institution, the state, or political subdivision, if it meets one	261
of the following requirements:	262

(1) It is used by such institution, the state, or political subdivision, or by one or more other such institutions, the state, or political subdivisions under a lease, sublease, or other contractual arrangement:

(a) As a community or area center in which presentations in music, dramatics, the arts, and related fields are made in order to foster public interest and education therein;

(b) For other charitable, educational, or public purposes.

(2) It is made available under the direction or control of such institution, the state, or political subdivision for use in furtherance of or incidental to its charitable, educational, or public purposes and not with the view to profit.

(3) It is used by an organization described in division (D) of section 5709.12 of the Revised Code. If the organization is a corporation that receives a grant under the Thomas Alva Edison grant program authorized by division (C) of section 122.33 of the Revised Code at any time during the tax year, "used," for the purposes of this division, includes holding property for lease or resale to others.

(B)(1) Property described in division (A)(1)(a) of this section shall continue to be considered as used exclusively for charitable or public purposes even if the property is conveyed through one conveyance or a series of conveyances to an entity that is not a charitable or educational institution and is not the state or a political subdivision, provided that all of the following conditions apply with respect to that property:

(a) The property has been listed as exempt on the county auditor's tax list and duplicate for the county in which it is located for the ten tax years immediately preceding the year in which the property is conveyed through one conveyance or a series of conveyances;

(b) The owner to which the property is conveyed through one 294
conveyance or a series of conveyances leases the property through 295
one lease or a series of leases to the entity that owned or 296
occupied the property for the ten tax years immediately preceding 297
the year in which the property is conveyed or an affiliate of such 298
prior owner or occupant; 299

(c) The property includes improvements that are at least 300
fifty years old; 301

(d) The property is being renovated in connection with a 302
claim for historic preservation tax credits available under 303
federal law; 304

(e) The property continues to be used for the purposes 305
described in division (A)(1)(a) of this section after its 306
conveyance; and 307

(f) The property is certified by the United States secretary 308
of the interior as a "certified historic structure" or certified 309
as part of a certified historic structure. 310

(2) Notwithstanding section 5715.27 of the Revised Code, an 311
application for exemption from taxation of property described in 312
division (B)(1) of this section may be filed by either the owner 313
of the property or its occupant. 314

(C) For purposes of this section, an institution ~~is that~~ 315
meets all of the following requirements is conclusively presumed 316
to be a charitable institution ~~if the:~~ 317

(1) The institution is a nonprofit corporation or 318
association, no part of the net earnings of which inures to the 319
benefit of any private shareholder or individual; 320

(2) The institution is exempt from federal income taxation 321
under section 501(a) of the Internal Revenue Code, ~~the;~~ 322

(3) The majority of the institution's board of directors are 323

appointed by the mayor or legislative authority of a municipal 324
corporation or a board of county commissioners, or a combination 325
thereof, ~~and the;~~ 326

(4) The primary purpose of the institution is to assist in 327
the development and revitalization of downtown urban areas. 328

Section 2. That existing sections 505.60, 505.601, 5701.11, 329
5705.05, 5705.06, and 5709.121 of the Revised Code are hereby 330
repealed. 331

Section 3. No board of township trustees, township officer, 332
or township employee shall be required to repay funds identified 333
in a finding for recovery made by the Auditor of State as the 334
result of the board of trustees having elected to provide township 335
officer or township employee health care coverage, or 336
reimbursement to a township officer or employee for such coverage, 337
in violation of sections 505.60 and 505.601 of the Revised Code as 338
they existed prior to amendment by H.B. 458 of the 127th General 339
Assembly. The county prosecuting attorney and Attorney General are 340
under no obligation to act, and shall not act, upon the Auditor of 341
State's finding for recovery. Any such finding for recovery shall 342
be considered resolved for the purposes of section 9.24 of the 343
Revised Code. Any sum that has already been repaid by a person 344
against whom such a finding for recovery was issued, or repaid by 345
a person in anticipation of the issuance of such a finding, shall 346
be paid to that person from the treasury of the public office to 347
which the sum was credited. 348

Section 4. This act is hereby declared to be an emergency 349
measure necessary for the immediate preservation of the public 350
peace, health, and safety. The reason for such necessity is to 351
immediately clarify the terms governing the provision of health 352
care to township officers and employees and preclude unnecessary 353

recoveries. Therefore, this act shall go into immediate effect.

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