

As Introduced

**127th General Assembly
Regular Session
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S. B. No. 223

Senator Miller, D.

Cosponsors: Senators Miller, R., Jacobson

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A B I L L

To amend sections 323.152, 323.153, and 323.156 of 1
the Revised Code to require county auditors to 2
make reasonable efforts to identify property 3
owners wrongfully receiving the 2.5% property tax 4
rollback, to limit the monetary charge against 5
violators to five years' worth of reductions plus 6
interest, to require 10% of monetary charge 7
collections to be credited to the rollback 8
enforcement fund, and to provide amnesty for 9
persons who report their illegal receipt of the 10
rollback. 11

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

Section 1. That sections 323.152, 323.153, and 323.156 of the 12
Revised Code be amended to read as follows: 13

Sec. 323.152. In addition to the reduction in taxes required 14
under section 319.302 of the Revised Code, taxes shall be reduced 15
as provided in divisions (A) and (B) of this section. 16

(A)(1) Division (A) of this section applies to any of the 17
following: 18

(a) A person who is permanently and totally disabled; 19

(b) A person who is sixty-five years of age or older;	20
(c) A person who is the surviving spouse of a deceased person	21
who was permanently and totally disabled or sixty-five years of	22
age or older and who applied and qualified for a reduction in	23
taxes under this division in the year of death, provided the	24
surviving spouse is at least fifty-nine but not sixty-five or more	25
years of age on the date the deceased spouse dies.	26
(2) Real property taxes on a homestead owned and occupied, or	27
a homestead in a housing cooperative occupied, by a person to whom	28
division (A) of this section applies shall be reduced for each	29
year for which the owner obtains a certificate of reduction from	30
the county auditor under section 323.154 of the Revised Code or	31
for which the occupant obtains a certificate of reduction in	32
accordance with section 323.159 of the Revised Code. The reduction	33
shall equal the greater of the reduction granted for the tax year	34
preceding the first tax year to which this section applies	35
pursuant to Section 803.06 of Am. Sub. H.B. 119 of the 127th	36
general assembly, if the taxpayer received a reduction for that	37
preceding tax year, or the product of the following:	38
(a) Twenty-five thousand dollars of the true value of the	39
property in money;	40
(b) The assessment percentage established by the tax	41
commissioner under division (B) of section 5715.01 of the Revised	42
Code, not to exceed thirty-five per cent;	43
(c) The effective tax rate used to calculate the taxes	44
charged against the property for the current year, where	45
"effective tax rate" is defined as in section 323.08 of the	46
Revised Code;	47
(d) The quantity equal to one minus the sum of the percentage	48
reductions in taxes received by the property for the current tax	49
year under section 319.302 of the Revised Code and division (B) of	50

section 323.152 of the Revised Code. 51

(B) To provide a partial exemption, real property taxes on 52
any homestead, and manufactured home taxes on any manufactured or 53
mobile home on which a manufactured home tax is assessed pursuant 54
to division (D)(2) of section 4503.06 of the Revised Code, shall 55
be reduced for each year for which the owner obtains a certificate 56
of reduction from the county auditor under section 323.154 of the 57
Revised Code. The amount of the reduction shall equal two and 58
one-half per cent of the amount of taxes to be levied on the 59
homestead or the manufactured or mobile home after applying 60
section 319.301 of the Revised Code. 61

(C) The reductions granted by this section do not apply to 62
special assessments or respread of assessments levied against the 63
homestead, and if there is a transfer of ownership subsequent to 64
the filing of an application for a reduction in taxes, such 65
reductions are not forfeited for such year by virtue of such 66
transfer. 67

(D) The reductions in taxable value referred to in this 68
section shall be applied solely as a factor for the purpose of 69
computing the reduction of taxes under this section and shall not 70
affect the total value of property in any subdivision or taxing 71
district as listed and assessed for taxation on the tax lists and 72
duplicates, or any direct or indirect limitations on indebtedness 73
of a subdivision or taxing district. If after application of 74
sections 5705.31 and 5705.32 of the Revised Code, including the 75
allocation of all levies within the ten-mill limitation to debt 76
charges to the extent therein provided, there would be 77
insufficient funds for payment of debt charges not provided for by 78
levies in excess of the ten-mill limitation, the reduction of 79
taxes provided for in sections 323.151 to 323.159 of the Revised 80
Code shall be proportionately adjusted to the extent necessary to 81
provide such funds from levies within the ten-mill limitation. 82

(E) No reduction shall be made on the taxes due on the homestead of any person convicted of violating division ~~(C)~~ or (D) or (E) of section 323.153 of the Revised Code for a period of three years following the conviction.

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 or in manufactured home taxes under division (B) of section 323.152 of the Revised Code, the owner shall file an application with the county auditor of the county in which the owner's homestead is located.

To obtain a reduction in real property taxes under division (A) of section 323.152 of the Revised Code, the occupant of a homestead in a housing cooperative shall file an application with the nonprofit corporation that owns and operates the housing cooperative, in accordance with this paragraph. Not later than the first day of March each year, the corporation shall obtain applications from the county auditor's office and provide one to each new occupant. Not later than the first day of May, any occupant who may be eligible for a reduction in taxes under division (A) of section 323.152 of the Revised Code shall submit the completed application to the corporation. Not later than the fifteenth day of May, the corporation shall file all completed applications, and the information required by division (B) of section 323.159 of the Revised Code, with the county auditor of the county in which the occupants' homesteads are located. Continuing applications shall be furnished to an occupant in the manner provided in division (C)(4) of this section.

(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, 114
attesting to the fact that the applicant is permanently and 115
totally disabled. The certificate shall be in a form that the tax 116
commissioner requires and shall include the definition of 117
permanently and totally disabled as set forth in section 323.151 118
of the Revised Code. An application for reduction based upon a 119
disability certified as permanent and total by a state or federal 120
agency having the function of so classifying persons shall be 121
accompanied by a certificate from that agency. 122

An application for a reduction under division (A) of section 123
323.152 of the Revised Code constitutes a continuing application 124
for a reduction in taxes for each year in which the dwelling is 125
the applicant's homestead. 126

(2) An application for a reduction in taxes under division 127
(B) of section 323.152 of the Revised Code shall be filed only if 128
the homestead or manufactured or mobile home was transferred in 129
the preceding year or did not qualify for and receive the 130
reduction in taxes under that division for the preceding tax year. 131
The application for homesteads transferred in the preceding year 132
shall be incorporated into any form used by the county auditor to 133
administer the tax law in respect to the conveyance of real 134
property pursuant to section 319.20 of the Revised Code or of used 135
manufactured homes or used mobile homes as defined in section 136
5739.0210 of the Revised Code. The owner of a manufactured or 137
mobile home who has elected under division (D)(4) of section 138
4503.06 of the Revised Code to be taxed under division (D)(2) of 139
that section for the ensuing year may file the application at the 140
time of making that election. The application shall contain a 141
statement that failure by the applicant to affirm on the 142
application that the dwelling on the property conveyed is the 143
applicant's homestead prohibits the owner from receiving the 144
reduction in taxes until a proper application is filed within the 145

period prescribed by division (A)(3) of this section. Such an 146
application constitutes a continuing application for a reduction 147
in taxes for each year in which the dwelling is the applicant's 148
homestead. 149

(3) Failure to receive a new application filed under division 150
(A)(1) or (2) or notification under division (C) of this section 151
after a certificate of reduction has been issued under section 152
323.154 of the Revised Code, or failure to receive a new 153
application filed under division (A)(1) or notification under 154
division (C) of this section after a certificate of reduction has 155
been issued under section 323.159 of the Revised Code, is 156
prima-facie evidence that the original applicant is entitled to 157
the reduction in taxes calculated on the basis of the information 158
contained in the original application. The original application 159
and any subsequent application, including any late application, 160
shall be in the form of a signed statement and shall be filed 161
after the first Monday in January and not later than the first 162
Monday in June. The original application and any subsequent 163
application for a reduction in real property taxes shall be filed 164
in the year for which the reduction is sought. The original 165
application and any subsequent application for a reduction in 166
manufactured home taxes shall be filed in the year preceding the 167
year for which the reduction is sought. The statement shall be on 168
a form, devised and supplied by the tax commissioner, which shall 169
require no more information than is necessary to establish the 170
applicant's eligibility for the reduction in taxes and the amount 171
of the reduction, and, for a certificate of reduction issued under 172
section 323.154 of the Revised Code, shall include an affirmation 173
by the applicant that ownership of the homestead was not acquired 174
from a person, other than the applicant's spouse, related to the 175
owner by consanguinity or affinity for the purpose of qualifying 176
for the real property or manufactured home tax reduction provided 177
for in division (A) or (B) of section 323.152 of the Revised Code. 178

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. 179
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(B) A late application for a tax reduction for the year preceding the year in which an original application is filed, or for a reduction in manufactured home taxes for 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, 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 the applicant's application been timely filed and approved in that year. 184
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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. 194
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(C)(1) 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 or on the manufactured or mobile home set forth on such application, the owner shall notify the county auditor that the owner is not qualified for a reduction in taxes. 205
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(2) If, in any year after an application has been filed under division (A) of this section, the occupant of a homestead in a housing cooperative does not qualify for a reduction in taxes on the homestead, the occupant shall notify the county auditor that the occupant is not qualified for a reduction in taxes or file a new application under division (A) of this section.

(3) The county auditor shall make reasonable attempts to identify owners of property receiving the reduction in taxes under division (B) of section 323.152 of the Revised Code that are not entitled to the reduction. If the county auditor or county treasurer discovers that the owner of property not entitled to the reduction in taxes under that ~~division (B) of section 323.152 of the Revised Code~~ failed to notify the county auditor as required by division (C)(1) of this section, 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, but not for more than the five most recent such years. Interest shall accrue in the manner prescribed by division (B) of section 323.121 or division (G)(2) of section 4503.06 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 244
under Chapter 5715. of the Revised Code. The charge and any 245
interest shall be collected as other delinquent taxes. Ten per 246
cent of the amount collected shall be credited to the county 247
rollback enforcement fund, which shall be created in the county 248
treasury, for use by the county auditor to enforce compliance with 249
this section. The remainder shall be credited to the county 250
undivided income tax fund and distributed to taxing districts in 251
the county in the same manner as provided in section 323.156 of 252
the Revised Code. 253

(4) Each year during January, the county auditor shall 254
furnish by ordinary mail a continuing application to each person 255
issued a certificate of reduction under section 323.154 or 323.159 256
of the Revised Code with respect to a reduction in taxes under 257
division (A) of section 323.152 of the Revised Code. The 258
continuing application shall be used to report changes in 259
ownership or occupancy of the homestead, including changes in or 260
revocation of a revocable inter vivos trust, changes in 261
disability, and other changes in the information earlier furnished 262
the auditor relative to the reduction in taxes on the property. 263
The continuing application shall be returned to the auditor not 264
later than the first Monday in June; provided, that if such 265
changes do not affect the status of the homestead exemption or the 266
amount of the reduction to which the owner is entitled under 267
division (A) of section 323.152 of the Revised Code or to which 268
the occupant is entitled under section 323.159 of the Revised 269
Code, the application does not need to be returned. 270

(5) Each year during February, the county auditor, except as 271
otherwise provided in this paragraph, shall furnish by ordinary 272
mail an original application to the owner, as of the first day of 273
January of that year, of a homestead or a manufactured or mobile 274
home that transferred during the preceding calendar year and that 275

qualified for and received a reduction in taxes under division (B) 276
of section 323.152 of the Revised Code for the preceding tax year. 277
In order to receive the reduction under that division, the owner 278
shall file the application with the county auditor not later than 279
the first Monday in June. If the application is not timely filed, 280
the auditor shall not grant a reduction in taxes for the homestead 281
for the current year, and shall notify the owner that the 282
reduction in taxes has not been granted, in the same manner 283
prescribed under section 323.154 of the Revised Code for 284
notification of denial of an application. Failure of an owner to 285
receive an application does not excuse the failure of the owner to 286
file an original application. The county auditor is not required 287
to furnish an application under this paragraph for any homestead 288
for which application has previously been made on a form 289
incorporated into any form used by the county auditor to 290
administer the tax law in respect to the conveyance of real 291
property or of used manufactured homes or used mobile homes, and 292
an owner who previously has applied on such a form is not required 293
to return an application furnished under this paragraph. 294

(D) No person shall knowingly make a false statement for the 295
purpose of obtaining a reduction in the person's real property or 296
manufactured home taxes under section 323.152 of the Revised Code. 297

(E) No person shall knowingly fail to notify the county 298
auditor of changes required by division (C) of this section that 299
have the effect of maintaining or securing a reduction in taxes 300
under section 323.152 of the Revised Code. 301

(F) No person shall knowingly make a false statement or 302
certification attesting to any person's physical or mental 303
condition for purposes of qualifying such person for tax relief 304
pursuant to sections 323.151 to 323.159 of the Revised Code. 305

Sec. 323.156. Within thirty days after a settlement of taxes 306

under divisions (A), (C), and (H) of section 321.24 of the Revised Code, the county treasurer shall certify to the tax commissioner one-half of the total amount of taxes on real property that were reduced pursuant to section 323.152 of the Revised Code for the preceding tax year, and one-half of the total amount of taxes on manufactured and mobile homes that were reduced pursuant to division (B) of section 323.152 of the Revised Code for the current tax year, as evidenced by the certificates of reduction and the tax duplicate certified to the county treasurer by the county auditor, less ninety per cent of the amount collected pursuant to division (C)(3) of section 323.153 of the Revised Code since the treasurer's last certification under this section. The commissioner, within thirty days of the receipt of such certifications, shall provide for payment to the county treasurer, from the general revenue fund, of the net amount certified, which shall be credited upon receipt to the county's undivided income tax fund, and an amount equal to two per cent of the net amount by which taxes were reduced, which shall be credited upon receipt to the county general fund as a payment, in addition to the fees and charges authorized by sections 319.54 and 321.26 of the Revised Code, to the county auditor and treasurer for the costs of administering the exemption provided under sections 323.151 to 323.159 of the Revised Code.

Immediately upon receipt of funds into the county undivided income tax fund under this section, the auditor shall distribute the full amount thereof among the taxing districts in the county as though the total had been paid as taxes by each person for whom taxes were reduced under sections 323.151 to 323.159 of the Revised Code.

Section 2. That existing sections 323.152, 323.153, and 323.156 of the Revised Code are hereby repealed.

Section 3. (A) The county auditor of each county shall 338
determine a date, to fall within one year after the effective date 339
of this act, by which owners of property located in the county who 340
currently receive the reduction in taxes under division (B) of 341
section 323.152 of the Revised Code must inform the county auditor 342
or county treasurer that the property might not be entitled to the 343
reduction. The property owner shall provide the auditor or 344
treasurer with the property owner's full name, the street address 345
of the property, and the month and year the owner last used the 346
property as the owner's homestead. 347

Property owners who so notify the county auditor or treasurer 348
on or before the date determined by the county auditor shall be 349
immune from prosecution for violation of division (D) or (E) of 350
section 323.153 of the Revised Code and shall not be subject to 351
the prohibition in division (E) of section 323.152 of the Revised 352
Code. 353

(B)(1) In lieu of the charges imposed in division (C)(3) of 354
section 323.153 of the Revised Code, if the county auditor 355
determines that property subject to the manufactured home tax in 356
division (C) of section 4503.06 of the Revised Code has improperly 357
received the reduction under division (B) of section 323.152 of 358
the Revised Code for the current tax year and one or more 359
preceding tax years, and that the owner of the property has 360
provided proper notice to the county auditor or treasurer pursuant 361
to division (A) of this section, the property owner shall be 362
subject to a charge equal to the reduction in taxes the property 363
received for the current tax year. If the property improperly 364
received the reduction only for the current tax year, no charge 365
shall be imposed so long as the owner provided proper notice under 366
division (A) of this section. 367

(2) In lieu of the charges imposed in division (C)(3) of 368

section 323.153 of the Revised Code, if the county auditor 369
determines that real property has improperly received the 370
reduction under division (B) of section 323.152 of the Revised 371
Code for the preceding tax year and one or more preceding tax 372
years, and that the owner of the property has provided proper 373
notice to the county auditor or treasurer pursuant to division (A) 374
of this section, the property owner shall be subject to a charge 375
equal to the reduction the property received for the preceding tax 376
year. If the property improperly received the reduction only for 377
the preceding tax year, no charge shall be imposed so long as the 378
owner provided proper notice under this section. 379

(C) A reasonable time before the date chosen by the county 380
auditor, the auditor shall publish notice reasonably calculated to 381
reach the property owners identified in division (A) of this 382
section. The notice shall state the purpose of the notice, the 383
relief available under this section, the deadline by which persons 384
must apply for the relief, how relief is to be applied for, and 385
the potential consequences of not doing so. 386

(D) Charges collected under this section shall be credited as 387
provided in division (C)(3) of section 323.153 of the Revised 388
Code. 389

Section 4. Section 323.156 of the Revised Code is presented 390
in this act as a composite of the section as amended by both Am. 391
H.B. 595 and Am. Sub. H.B. 672 of the 123rd General Assembly. The 392
General Assembly, applying the principle stated in division (B) of 393
section 1.52 of the Revised Code that amendments are to be 394
harmonized if reasonably capable of simultaneous operation, finds 395
that the composite is the resulting version of the section in 396
effect prior to the effective date of the section as presented in 397
this act. 398