

As Introduced

**127th General Assembly
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S. B. No. 306

Senator Schuler

Cosponsors: Senators Mumper, Seitz, Wagoner

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A B I L L

To amend sections 135.804, 323.151, and 323.159 of 1
the Revised Code to change the definition of 2
"housing cooperative" for the purposes of the 3
county homestead tax exemptions and property tax 4
payment link deposit programs for low-to-moderate 5
income senior citizens and permanently disabled 6
citizens and to expand the definition of a 7
homestead to include settlors of irrevocable inter 8
vivos trusts. 9

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

Section 1. That sections 135.804, 323.151, and 323.159 of the 10
Revised Code be amended to read as follows: 11

Sec. 135.804. As used in sections 135.804 to 135.807 of the 12
Revised Code: 13

(A) "Taxes" has the same meaning as in section 323.01 of the 14
Revised Code. 15

(B) "Eligible borrower" means a person meeting all of the 16
following: 17

(1) The person is the owner of a homestead that is not 18

charged with more than two years' worth of certified delinquent 19
taxes. 20

(2) The person had total income in the year prior to 21
submitting an application for a reduced rate loan under a property 22
tax payment linked deposit program of the lesser of fifty thousand 23
dollars or the total income limit established pursuant to section 24
135.805 of the Revised Code by the board of county commissioners 25
as an eligibility requirement for participation in a property tax 26
payment linked deposit program. 27

(3) The person meets all other eligibility requirements 28
established pursuant to section 135.805 of the Revised Code by the 29
board of county commissioners for participation in a property tax 30
payment linked deposit program. 31

(C) "Eligible lending institution" means a financial 32
institution that meets all of the following: 33

(1) The financial institution is eligible to make loans to 34
individuals that are secured by mortgages, including mortgages 35
commonly known as reverse mortgages. 36

(2) The financial institution has an office located within 37
the territorial limits of the county. 38

(3) The financial institution is an eligible public 39
depository described in section 135.32 of the Revised Code into 40
which the county's investing authority may deposit the public 41
moneys of the county. 42

(4) The financial institution has entered into an agreement 43
described in division (B)(4) of section 135.805 of the Revised 44
Code with the investing authority of the county to participate in 45
the property tax payment linked deposit program. 46

(D)(1) "Homestead" means either of the following: 47

~~(1)~~(a) A dwelling, including a unit in a multiple-unit 48

dwelling and a manufactured home or mobile home taxed as real 49
property pursuant to division (B) of section 4503.06 of the 50
Revised Code, owned and occupied as a home by an individual whose 51
domicile is in this state and who has not acquired ownership from 52
a person, other than the individual's spouse, related by 53
consanguinity or affinity for the purpose of qualifying for a 54
property tax payment linked deposit program. 55

~~(2)~~(b) A unit in a housing cooperative that is occupied as a 56
home, but not owned, by an individual whose domicile is in this 57
state. 58

(2) The homestead shall include so much of the land 59
surrounding it, not exceeding one acre, as is reasonably necessary 60
for the use of the dwelling or unit as a home. An owner includes a 61
holder of one of the several estates in fee, a vendee in 62
possession under a purchase agreement or a land contract, a 63
mortgagor, a life tenant, one or more tenants with a right of 64
survivorship, tenants in common, and a settlor of a revocable or 65
irrevocable inter vivos trust holding the title to a homestead 66
occupied by the settlor as of right under the trust. 67

(E) "Housing cooperative" means a housing complex of at least 68
two ~~hundred fifty~~ units that is owned and operated by a nonprofit 69
corporation that issues a share of the corporation's stock to an 70
individual, entitling the individual to live in a unit of the 71
complex, and collects a monthly maintenance fee from the 72
individual to maintain, operate, and pay the taxes of the complex. 73

(F) "Investing authority" and "public moneys" have the same 74
meanings as in section 135.31 of the Revised Code. 75

(G) "Lien certificate" means the certificate described in 76
section 135.807 of the Revised Code. 77

(H) "Old age and survivors benefits received pursuant to the 78
'Social Security Act'" or "tier I railroad retirement benefits 79

received pursuant to the 'Railroad Retirement Act'" means: 80

(1) Old age benefits payable under the social security or 81
railroad retirement laws in effect on the last day of the calendar 82
year prior to the year for which a reduced rate loan under a 83
property tax payment linked deposit program is applied for, or, if 84
no such benefits are payable that year, old age benefits payable 85
the first succeeding year in which old age benefits under the 86
social security or railroad retirement laws are payable, except in 87
those cases where a change in social security or railroad 88
retirement benefits results in a reduction in income. 89

(2) The lesser of: 90

(a) Survivors benefits payable under the social security or 91
railroad retirement laws in effect on the last day of the calendar 92
year prior to the year for which a reduced rate loan under a 93
property tax payment linked deposit program is applied for, or, if 94
no such benefits are payable that year, survivors benefits payable 95
the first succeeding year in which survivors benefits are payable; 96
or 97

(b) Old age benefits of the deceased spouse, as determined 98
under division (H)(1) of this section, upon which the surviving 99
spouse's survivors benefits are based under the social security or 100
railroad retirement laws, except in those cases where a change in 101
benefits would cause a reduction in income. 102

Survivors benefits are those described in division (H)(2)(b) 103
of this section only if the deceased spouse received old age 104
benefits in the year in which the deceased spouse died. If the 105
deceased spouse did not receive old age benefits in the year in 106
which the deceased spouse died, then survivors benefits are those 107
described in division (H)(2)(a) of this section. 108

(I) "Permanently and totally disabled" means a person who, on 109
the first day of January of the year that a reduced rate loan 110

under a property tax payment linked deposit program is applied 111
for, has some impairment in body or mind that makes the person 112
unable to work at any substantially remunerative employment that 113
the person reasonably is able to perform and that will, with 114
reasonable probability, continue for an indefinite period of at 115
least twelve months without any present indication of recovery 116
therefrom or has been certified as permanently and totally 117
disabled by a state or federal agency having the function of so 118
classifying persons. 119

(J) "Property tax payment linked deposit program" means a 120
~~county-wide~~ countywide program authorized under section 135.805 of 121
the Revised Code and established by the board of county 122
commissioners of a county pursuant to that section. 123

(K) "Sixty-five years of age or older" means a person who has 124
attained age sixty-four prior to the first day of January of the 125
year of application for a reduced rate loan under a property tax 126
payment linked deposit program. 127

(L) "Total income" means the adjusted gross income of the 128
owner and the owner's spouse for the year preceding the year in 129
which application for a reduced rate loan under a property tax 130
payment linked deposit program is made, as determined under the 131
"Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as 132
amended, adjusted as follows: 133

(1) Subtract the amount of disability benefits included in 134
adjusted gross income, but not to exceed fifty-two hundred 135
dollars; 136

(2) Add old age and survivors benefits received pursuant to 137
the "Social Security Act" that are not included in adjusted gross 138
income; 139

(3) Add retirement, pension, annuity, or other retirement 140
payments or benefits not included in adjusted gross income; 141

(4) Add tier I and tier II railroad retirement benefits 142
received pursuant to the "Railroad Retirement Act," 50 Stat. 307, 143
45 U.S.C.A. 228; 144

(5) Add interest on federal, state, and local government 145
obligations; 146

(6) For a person who received a reduced rate loan under a 147
property tax payment linked deposit program for a prior year on 148
the basis of being permanently and totally disabled and whose 149
current application for a reduced rate loan is made on the basis 150
of age, subtract the following amount: 151

(a) If the person received disability benefits that were not 152
included in adjusted gross income in the year preceding the first 153
year in which the person applied for a reduced rate loan on the 154
basis of age, subtract an amount equal to the disability benefits 155
the person received in that preceding year, to the extent included 156
in total income in the current year and not subtracted under 157
division (L)(1) of this section in the current year; 158

(b) If the person received disability benefits that were 159
included in adjusted gross income in the year preceding the first 160
year in which the person applied for a reduced rate loan on the 161
basis of age, subtract an amount equal to the amount of disability 162
benefits that were subtracted pursuant to division (L)(1) of this 163
section in that preceding year, to the extent included in total 164
income in the current year and not subtracted under division 165
(L)(1) of this section in the current year. 166

Disability benefits that are paid by the department of 167
veterans affairs or a branch of the armed forces of the United 168
States on account of an injury or disability shall not be included 169
in total income. 170

Sec. 323.151. As used in sections 323.151 to 323.159 of the 171

Revised Code:	172
(A)(1) "Homestead" means either of the following:	173
(1) (a) A dwelling, including a unit in a multiple-unit dwelling and a manufactured home or mobile home taxed as real property pursuant to division (B) of section 4503.06 of the Revised Code, owned and occupied as a home by an individual whose domicile is in this state and who has not acquired ownership from a person, other than the individual's spouse, related by consanguinity or affinity for the purpose of qualifying for the real property tax reduction provided in section 323.152 of the Revised Code.	174 175 176 177 178 179 180 181 182
(2) (b) A unit in a housing cooperative that is occupied as a home, but not owned, by an individual whose domicile is in this state.	183 184 185
(2) The homestead shall include so much of the land surrounding it, not exceeding one acre, as is reasonably necessary for the use of the dwelling or unit as a home. An owner includes a holder of one of the several estates in fee, a vendee in possession under a purchase agreement or a land contract, a mortgagor, a life tenant, one or more tenants with a right of survivorship, tenants in common, and a settlor of a revocable <u>or irrevocable</u> inter vivos trust holding the title to a homestead occupied by the settlor as of right under the trust. The tax commissioner shall adopt rules for the uniform classification and valuation of real property or portions of real property as homesteads.	186 187 188 189 190 191 192 193 194 195 196 197
(B) "Sixty-five years of age or older" means a person who has attained age sixty-four prior to the first day of January of the year of application for reduction in real estate taxes.	198 199 200
(C) "Permanently and totally disabled" means a person who has, on the first day of January of the year of application for	201 202

reduction in real estate taxes, some impairment in body or mind 203
that makes the person unable to work at any substantially 204
remunerative employment that the person is reasonably able to 205
perform and that will, with reasonable probability, continue for 206
an indefinite period of at least twelve months without any present 207
indication of recovery therefrom or has been certified as 208
permanently and totally disabled by a state or federal agency 209
having the function of so classifying persons. 210

(D) "Housing cooperative" means a housing complex of at least 211
two ~~hundred-fifty~~ units that is owned and operated by a nonprofit 212
corporation that issues a share of the corporation's stock to an 213
individual, entitling the individual to live in a unit of the 214
complex, and collects a monthly maintenance fee from the 215
individual to maintain, operate, and pay the taxes of the complex. 216

Sec. 323.159. (A) As used in this section: 217

(1) "Applicant" means the person who occupies a homestead in 218
a housing cooperative. 219

(2) "Homestead" has the same meaning as in division (A)~~(2)~~(1) 220
of section 323.151 of the Revised Code. 221

(B) Not later than the first day of May each year, any 222
nonprofit corporation that owns and operates a housing cooperative 223
shall determine the amount of property taxes it paid for the 224
housing cooperative for the preceding tax year and shall attribute 225
to each homestead in the housing cooperative a portion of the 226
total property taxes as if the homestead's occupant paid the 227
taxes. The taxes attributed to each homestead shall be based on 228
the percentage that the square footage of the homestead is of the 229
total square footage of the housing cooperative and on other 230
reasonable factors that reflect the value of the homestead. Not 231
later than the fifteenth day of May each year, the corporation 232
shall file this information with the county auditor, along with 233

any applications submitted to it under division (A) of section 234
323.153 of the Revised Code. No nonprofit corporation that owns 235
and operates a housing cooperative shall fail to file with the 236
county auditor the information required by this division and 237
division (A) of section 323.153 of the Revised Code. 238

(C) On or before the day the county auditor has completed the 239
duties imposed by sections 319.30 to 319.302 of the Revised Code, 240
the auditor shall issue a certificate of reduction in taxes for 241
each applicant who has complied with section 323.153 of the 242
Revised Code and whose homestead the auditor finds is entitled to 243
a reduction in real property taxes for that year under division 244
(A) of section 323.152 of the Revised Code. The county auditor 245
shall calculate the taxable value of each applicant's homestead as 246
if the homestead was owned by the applicant and shall use the 247
information provided by the nonprofit corporation under division 248
(B) of this section to determine the reduction in taxable value to 249
be attributed to the homestead. 250

The certificate shall state the taxable value, on the first 251
day of January of that year, attributed to each homestead in the 252
housing cooperative; the reduction in taxable value and reduction 253
in taxes attributed to the homestead; the total amount of the 254
reduction in taxable value for the housing cooperative based on 255
all certificates issued under this section for homesteads in the 256
housing cooperative; the nonprofit corporation's total reduction 257
in taxes for that year under division (A) of section 323.152 of 258
the Revised Code; the tax rate that is applicable against the 259
housing cooperative for that year; and any other information the 260
tax commissioner requires. The county auditor shall prepare three 261
copies of the original certificate. Upon the issuance of such a 262
certificate, the county auditor shall forward two copies and the 263
original to the county treasurer and retain one copy. The county 264
auditor also shall record the amount of reduction in taxes in the 265

appropriate column on the general tax list and duplicate of real 266
and public utility property. 267

(D) On receipt of the notice from the county auditor under 268
division (C) of this section, the nonprofit corporation that owns 269
and operates the housing cooperative shall reduce the monthly 270
maintenance fee for each homestead for which an applicant received 271
a certificate of reduction under this section for the year 272
following the year for which the certificate was issued. The 273
reduction in the monthly maintenance fee shall equal one-twelfth 274
of the reduction in taxes attributed to the homestead by the 275
county auditor under division (C) of this section. 276

(E) If an application, late application, or continuing 277
application is not approved, or if the county auditor otherwise 278
determines that a homestead does not qualify for a reduction in 279
taxes under division (A) of section 323.152 of the Revised Code, 280
the auditor shall notify the applicant, and the nonprofit 281
corporation that owns and operates the housing cooperative, of the 282
reasons for denial not later than the first Monday in October. If 283
the applicant believes that the application for reduction has been 284
improperly denied, or the nonprofit corporation that owns and 285
operates the housing cooperative believes that the reduction is 286
for less than that to which the housing cooperative is entitled, 287
the applicant or housing cooperative, respectively, may file an 288
appeal with the county board of revision not later than the date 289
of closing of the collection for the first half of real and public 290
utility property taxes. The appeal shall be treated in the same 291
manner as a complaint relating to the valuation or assessment of 292
real property under Chapter 5715. of the Revised Code. 293

Section 2. That existing sections 135.804, 323.151, and 294
323.159 of the Revised Code are hereby repealed. 295