

**As Introduced**

**128th General Assembly  
Regular Session  
2009-2010**

**H. B. No. 516**

**Representative Pillich**

**Cosponsors: Representatives Belcher, Dyer, Evans, Pryor, Yuko, Harwood**

—

**A B I L L**

To amend sections 5751.20 and 5751.21 of the Revised 1  
Code to modify the school district reimbursement 2  
schedule for the loss of revenue from the tangible 3  
personal property tax phase-out. 4

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

**Section 1.** That sections 5751.20 and 5751.21 of the Revised 5  
Code be amended to read as follows: 6

**Sec. 5751.20.** (A) As used in sections 5751.20 to 5751.22 of 7  
the Revised Code: 8

(1) "School district," "joint vocational school district," 9  
"local taxing unit," "recognized valuation," "fixed-rate levy," 10  
and "fixed-sum levy" have the same meanings as used in section 11  
5727.84 of the Revised Code. 12

(2) "State education aid" for a school district means the 13  
following: 14

(a) For fiscal years prior to fiscal year 2010, the sum of 15  
state aid amounts computed for the district under division (A) of 16  
section 3317.022 of the Revised Code, including the amounts 17  
calculated under sections 3317.029 and 3317.0217 of the Revised 18

Code; divisions (C)(1), (C)(4), (D), (E), and (F) of section 19  
3317.022; divisions (B), (C), and (D) of section 3317.023; 20  
divisions (L) and (N) of section 3317.024; section 3317.0216; and 21  
any unit payments for gifted student services paid under sections 22  
3317.05, 3317.052, and 3317.053 of the Revised Code; except that, 23  
for fiscal years 2008 and 2009, the amount computed for the 24  
district under Section 269.20.80 of H.B. 119 of the 127th general 25  
assembly and as that section subsequently may be amended shall be 26  
substituted for the amount computed under division (D) of section 27  
3317.022 of the Revised Code, and the amount computed under 28  
Section 269.30.80 of H.B. 119 of the 127th general assembly and as 29  
that section subsequently may be amended shall be included. 30

(b) For fiscal year 2010 and for each fiscal year thereafter, 31  
the sum of the amounts computed under sections 3306.052, 3306.12, 32  
3306.13, 3306.19, 3306.191, and 3306.192 of the Revised Code. 33

(3) "State education aid" for a joint vocational school 34  
district means the following: 35

(a) For fiscal years prior to fiscal year 2010, the sum of 36  
the state aid computed for the district under division (N) of 37  
section 3317.024 and section 3317.16 of the Revised Code, except 38  
that, for fiscal years 2008 and 2009, the amount computed under 39  
Section 269.30.80 of H.B. 119 of the 127th general assembly and as 40  
that section subsequently may be amended shall be included. 41

(b) For fiscal years 2010 and 2011, the amount paid in 42  
accordance with the section of this act entitled "FUNDING FOR 43  
JOINT VOCATIONAL SCHOOL DISTRICTS." 44

(4) "State education aid offset" means the amount determined 45  
for each school district or joint vocational school district under 46  
division (A)(1) of section 5751.21 of the Revised Code. 47

(5) "Machinery and equipment property tax value loss" means 48  
the amount determined under division (C)(1) of this section. 49

(6) "Inventory property tax value loss" means the amount determined under division (C)(2) of this section.	50 51
(7) "Furniture and fixtures property tax value loss" means the amount determined under division (C)(3) of this section.	52 53
(8) "Machinery and equipment fixed-rate levy loss" means the amount determined under division (D)(1) of this section.	54 55
(9) "Inventory fixed-rate levy loss" means the amount determined under division (D)(2) of this section.	56 57
(10) "Furniture and fixtures fixed-rate levy loss" means the amount determined under division (D)(3) of this section.	58 59
(11) "Total fixed-rate levy loss" means the sum of the machinery and equipment fixed-rate levy loss, the inventory fixed-rate levy loss, the furniture and fixtures fixed-rate levy loss, and the telephone company fixed-rate levy loss.	60 61 62 63
(12) "Fixed-sum levy loss" means the amount determined under division (E) of this section.	64 65
(13) "Machinery and equipment" means personal property subject to the assessment rate specified in division (F) of section 5711.22 of the Revised Code.	66 67 68
(14) "Inventory" means personal property subject to the assessment rate specified in division (E) of section 5711.22 of the Revised Code.	69 70 71
(15) "Furniture and fixtures" means personal property subject to the assessment rate specified in division (G) of section 5711.22 of the Revised Code.	72 73 74
(16) "Qualifying levies" are levies in effect for tax year 2004 or applicable to tax year 2005 or approved at an election conducted before September 1, 2005. For the purpose of determining the rate of a qualifying levy authorized by section 5705.212 or 5705.213 of the Revised Code, the rate shall be the rate that	75 76 77 78 79

would be in effect for tax year 2010. 80

(17) "Telephone property" means tangible personal property of 81  
a telephone, telegraph, or interexchange telecommunications 82  
company subject to an assessment rate specified in section 83  
5727.111 of the Revised Code in tax year 2004. 84

(18) "Telephone property tax value loss" means the amount 85  
determined under division (C)(4) of this section. 86

(19) "Telephone property fixed-rate levy loss" means the 87  
amount determined under division (D)(4) of this section. 88

(B) The commercial activities tax receipts fund is hereby 89  
created in the state treasury and shall consist of money arising 90  
from the tax imposed under this chapter. Eighty-five 91  
one-hundredths of one per cent of the money credited to that fund 92  
shall be credited to the tax reform system implementation fund, 93  
which is hereby created in the state treasury, and shall be used 94  
to defray the costs incurred by the department of taxation in 95  
administering the tax imposed by this chapter and in implementing 96  
tax reform measures. The remainder in the commercial activities 97  
tax receipts fund shall be credited for each fiscal year in the 98  
following percentages to the general revenue fund, to the school 99  
district tangible property tax replacement fund, which is hereby 100  
created in the state treasury for the purpose of making the 101  
payments described in section 5751.21 of the Revised Code, and to 102  
the local government tangible property tax replacement fund, which 103  
is hereby created in the state treasury for the purpose of making 104  
the payments described in section 5751.22 of the Revised Code, in 105  
the following percentages: 106

Fiscal year	General Revenue Fund	School District Tangible Property Tax Replacement Fund	Local Government Tangible Property Tax Replacement Fund

2006	67.7%	22.6%	9.7%	108
2007	0%	70.0%	30.0%	109
2008	0%	70.0%	30.0%	110
2009	0%	70.0%	30.0%	111
2010	0%	70.0%	30.0%	112
2011	0%	70.0%	30.0%	113
2012	5.3%	70.0%	24.7%	114
2013	10.6%	70.0%	19.4%	115
2014	14.1%	70.0%	15.9%	116
2015	17.6%	70.0%	12.4%	117
2016	21.1%	70.0%	8.9%	118
2017	24.6%	70.0%	5.4%	119
2018	28.1%	70.0%	1.9%	120
2019 and	30%	70%	0%	121

thereafter

(C) Not later than September 15, 2005, the tax commissioner shall determine for each school district, joint vocational school district, and local taxing unit its machinery and equipment, inventory property, furniture and fixtures property, and telephone property tax value losses, which are the applicable amounts described in divisions (C)(1), (2), (3), and (4) of this section, except as provided in division (C)(5) of this section:

(1) Machinery and equipment property tax value loss is the taxable value of machinery and equipment property as reported by taxpayers for tax year 2004 multiplied by:

(a) For tax year 2006, thirty-three and eight-tenths per cent;

(b) For tax year 2007, sixty-one and three-tenths per cent;

(c) For tax year 2008, eighty-three per cent;

(d) For tax year 2009 and thereafter, one hundred per cent.

(2) Inventory property tax value loss is the taxable value of

inventory property as reported by taxpayers for tax year 2004	138
multiplied by:	139
(a) For tax year 2006, a fraction, the numerator of which is	140
five and three-fourths and the denominator of which is	141
twenty-three;	142
(b) For tax year 2007, a fraction, the numerator of which is	143
nine and one-half and the denominator of which is twenty-three;	144
(c) For tax year 2008, a fraction, the numerator of which is	145
thirteen and one-fourth and the denominator of which is	146
twenty-three;	147
(d) For tax year 2009 and thereafter a fraction, the	148
numerator of which is seventeen and the denominator of which is	149
twenty-three.	150
(3) Furniture and fixtures property tax value loss is the	151
taxable value of furniture and fixture property as reported by	152
taxpayers for tax year 2004 multiplied by:	153
(a) For tax year 2006, twenty-five per cent;	154
(b) For tax year 2007, fifty per cent;	155
(c) For tax year 2008, seventy-five per cent;	156
(d) For tax year 2009 and thereafter, one hundred per cent.	157
The taxable value of property reported by taxpayers used in	158
divisions (C)(1), (2), and (3) of this section shall be such	159
values as determined to be final by the tax commissioner as of	160
August 31, 2005. Such determinations shall be final except for any	161
correction of a clerical error that was made prior to August 31,	162
2005, by the tax commissioner.	163
(4) Telephone property tax value loss is the taxable value of	164
telephone property as taxpayers would have reported that property	165
for tax year 2004 if the assessment rate for all telephone	166
property for that year were twenty-five per cent, multiplied by:	167

(a) For tax year 2006, zero per cent;	168
(b) For tax year 2007, zero per cent;	169
(c) For tax year 2008, zero per cent;	170
(d) For tax year 2009, sixty per cent;	171
(e) For tax year 2010, eighty per cent;	172
(f) For tax year 2011 and thereafter, one hundred per cent.	173
(5) Division (C)(5) of this section applies to any school district, joint vocational school district, or local taxing unit in a county in which is located a facility currently or formerly devoted to the enrichment or commercialization of uranium or uranium products, and for which the total taxable value of property listed on the general tax list of personal property for any tax year from tax year 2001 to tax year 2004 was fifty per cent or less of the taxable value of such property listed on the general tax list of personal property for the next preceding tax year.	174 175 176 177 178 179 180 181 182 183
In computing the fixed-rate levy losses under divisions (D)(1), (2), and (3) of this section for any school district, joint vocational school district, or local taxing unit to which division (C)(5) of this section applies, the taxable value of such property as listed on the general tax list of personal property for tax year 2000 shall be substituted for the taxable value of such property as reported by taxpayers for tax year 2004, in the taxing district containing the uranium facility, if the taxable value listed for tax year 2000 is greater than the taxable value reported by taxpayers for tax year 2004. For the purpose of making the computations under divisions (D)(1), (2), and (3) of this section, the tax year 2000 valuation is to be allocated to machinery and equipment, inventory, and furniture and fixtures property in the same proportions as the tax year 2004 values. For the purpose of the calculations in division (A) of section 5751.21	184 185 186 187 188 189 190 191 192 193 194 195 196 197 198

of the Revised Code, the tax year 2004 taxable values shall be 199  
used. 200

To facilitate the calculations required under division (C) of 201  
this section, the county auditor, upon request from the tax 202  
commissioner, shall provide by August 1, 2005, the values of 203  
machinery and equipment, inventory, and furniture and fixtures for 204  
all single-county personal property taxpayers for tax year 2004. 205

(D) Not later than September 15, 2005, the tax commissioner 206  
shall determine for each tax year from 2006 through 2009 for each 207  
school district, joint vocational school district, and local 208  
taxing unit its machinery and equipment, inventory, and furniture 209  
and fixtures fixed-rate levy losses, and for each tax year from 210  
2006 through 2011 its telephone property fixed-rate levy loss. 211  
Except as provided in division (F) of this section, such losses 212  
are the applicable amounts described in divisions (D)(1), (2), 213  
(3), and (4) of this section: 214

(1) The machinery and equipment fixed-rate levy loss is the 215  
machinery and equipment property tax value loss multiplied by the 216  
sum of the tax rates of fixed-rate qualifying levies. 217

(2) The inventory fixed-rate loss is the inventory property 218  
tax value loss multiplied by the sum of the tax rates of 219  
fixed-rate qualifying levies. 220

(3) The furniture and fixtures fixed-rate levy loss is the 221  
furniture and fixture property tax value loss multiplied by the 222  
sum of the tax rates of fixed-rate qualifying levies. 223

(4) The telephone property fixed-rate levy loss is the 224  
telephone property tax value loss multiplied by the sum of the tax 225  
rates of fixed-rate qualifying levies. 226

(E) Not later than September 15, 2005, the tax commissioner 227  
shall determine for each school district, joint vocational school 228  
district, and local taxing unit its fixed-sum levy loss. The 229



fixed-sum levy loss is the amount obtained by subtracting the 230  
amount described in division (E)(2) of this section from the 231  
amount described in division (E)(1) of this section: 232

(1) The sum of the machinery and equipment property tax value 233  
loss, the inventory property tax value loss, ~~and~~ the furniture and 234  
fixtures property tax value loss, ~~and, for 2008 through 2017,~~ the 235  
telephone property tax value loss of the district or unit 236  
multiplied by the sum of the fixed-sum tax rates of qualifying 237  
levies. For 2006 through 2010, this computation shall include all 238  
qualifying levies remaining in effect for the current tax year and 239  
any school district levies imposed under section 5705.194 or 240  
5705.213 of the Revised Code that are qualifying levies not 241  
remaining in effect for the current year. For 2011 ~~through 2017 in~~ 242  
~~the case of school district levies imposed under section 5705.194~~ 243  
~~or 5705.213 of the Revised Code and for all years after 2010 in~~ 244  
~~the case of other fixed sum levies and thereafter,~~ this 245  
computation shall include only qualifying levies remaining in 246  
effect for the current year. For purposes of this computation, a 247  
qualifying school district levy imposed under section 5705.194 or 248  
5705.213 of the Revised Code remains in effect in a year after 249  
2010 only if, for that year, the board of education levies a 250  
school district levy imposed under section 5705.194, 5705.199, 251  
5705.213, or 5705.219 of the Revised Code for an annual sum at 252  
least equal to the annual sum levied by the board in tax year 2004 253  
less the amount of the payment certified under this division for 254  
2006. 255

(2) The total taxable value in tax year 2004 less the sum of 256  
the machinery and equipment, inventory, furniture and fixtures, 257  
and telephone property tax value losses in each school district, 258  
joint vocational school district, and local taxing unit multiplied 259  
by one-half of one mill per dollar. 260

(3) For the calculations in divisions (E)(1) and (2) of this 261

section, the tax value losses are those that would be calculated 262  
for tax year 2009 under divisions (C)(1), (2), and (3) of this 263  
section and for tax year 2011 under division (C)(4) of this 264  
section. 265

(4) To facilitate the calculation under divisions (D) and (E) 266  
of this section, not later than September 1, 2005, any school 267  
district, joint vocational school district, or local taxing unit 268  
that has a qualifying levy that was approved at an election 269  
conducted during 2005 before September 1, 2005, shall certify to 270  
the tax commissioner a copy of the county auditor's certificate of 271  
estimated property tax millage for such levy as required under 272  
division (B) of section 5705.03 of the Revised Code, which is the 273  
rate that shall be used in the calculations under such divisions. 274

If the amount determined under division (E) of this section 275  
for any school district, joint vocational school district, or 276  
local taxing unit is greater than zero, that amount shall equal 277  
the reimbursement to be paid pursuant to division (E) of section 278  
5751.21 or division (A)(3) of section 5751.22 of the Revised Code, 279  
and the one-half of one mill that is subtracted under division 280  
(E)(2) of this section shall be apportioned among all contributing 281  
fixed-sum levies in the proportion that each levy bears to the sum 282  
of all fixed-sum levies within each school district, joint 283  
vocational school district, or local taxing unit. 284

(F) If a school district levies a tax under section 5705.219 285  
of the Revised Code, the fixed-rate levy loss for qualifying 286  
levies, to the extent repealed under that section, shall equal the 287  
sum of the following amounts in lieu of the amounts computed for 288  
such levies under division (D) of this section: 289

(1) The sum of the rates of qualifying levies to the extent 290  
so repealed multiplied by the sum of the machinery and equipment, 291  
inventory, and furniture and fixtures tax value losses for 2009 ~~as~~ 292  
~~determined under that division;~~ 293

(2) The sum of the rates of qualifying levies to the extent 294  
so repealed multiplied by the telephone property tax value loss 295  
for 2011 ~~as determined under that division.~~ 296

The fixed-rate levy losses for qualifying levies to the 297  
extent not repealed under section 5705.219 of the Revised Code 298  
shall be as determined under division (D) of this section. The 299  
revised fixed-rate levy losses determined under this division and 300  
division (D) of this section first apply in the year following the 301  
first year the district levies the tax under section 5705.219 of 302  
the Revised Code. 303

(G) Not later than October 1, 2005, the tax commissioner 304  
shall certify to the department of education for every school 305  
district and joint vocational school district the machinery and 306  
equipment, inventory, furniture and fixtures, and telephone 307  
property tax value losses determined under division (C) of this 308  
section, the machinery and equipment, inventory, furniture and 309  
fixtures, and telephone fixed-rate levy losses determined under 310  
division (D) of this section, and the fixed-sum levy losses 311  
calculated under division (E) of this section. The calculations 312  
under divisions (D) and (E) of this section shall separately 313  
display the levy loss for each levy eligible for reimbursement. 314

(H) Not later than October 1, 2005, the tax commissioner 315  
shall certify the amount of the fixed-sum levy losses to the 316  
county auditor of each county in which a school district, joint 317  
vocational school district, or local taxing unit with a fixed-sum 318  
levy loss reimbursement has territory. 319

(I) Not later than the twenty-eighth day of February each 320  
year beginning in 2011 and ending in 2014, the tax commissioner 321  
shall certify to the department of education for each school 322  
district first levying a tax under section 5705.219 of the Revised 323  
Code in the preceding year the revised fixed-rate levy losses 324  
determined under divisions (D) and (F) of this section. 325

**Sec. 5751.21.** (A) Not later than the thirtieth day of July of 326  
2007 ~~through 2017~~ and each year thereafter, the department of 327  
education shall consult with the director of budget and management 328  
and determine the following for each school district and each 329  
joint vocational school district eligible for payment under 330  
division (B) or (C) of this section: 331

(1) The state education aid offset, which is the difference 332  
obtained by subtracting the amount described in division (A)(1)(b) 333  
of this section from the amount described in division (A)(1)(a) of 334  
this section: 335

(a) The state education aid computed for the school district 336  
or joint vocational school district for the current fiscal year as 337  
of the thirtieth day of July; 338

(b) The state education aid that would be computed for the 339  
school district or joint vocational school district for the 340  
current fiscal year as of the thirtieth day of July if the 341  
recognized valuation included the machinery and equipment, 342  
inventory, furniture and fixtures, and telephone property tax 343  
value losses for the school district or joint vocational school 344  
district for the second preceding tax year, and if taxes charged 345  
and payable associated with the tax value losses are accounted for 346  
in any state education aid computation dependent on taxes charged 347  
and payable. 348

(2) The greater of zero or the difference obtained by 349  
subtracting the state education aid offset determined under 350  
division (A)(1) of this section from the sum of the machinery and 351  
equipment fixed-rate levy loss, the inventory fixed-rate levy 352  
loss, furniture and fixtures fixed-rate levy loss, and telephone 353  
property fixed-rate levy loss certified under divisions (G) and 354  
(I) of section 5751.20 of the Revised Code for all taxing 355  
districts in each school district and joint vocational school 356

district for the second preceding tax year. 357

By the thirtieth day of July of each such year, the 358  
department of education and the director of budget and management 359  
shall agree upon the amount to be determined under division (A)(1) 360  
of this section. 361

(B) On or before the thirty-first day of August of each year 362  
beginning in 2008, the department of education shall recalculate 363  
the offset described under division (A) of this section for the 364  
previous fiscal year and recalculate the payments made under 365  
division (C) of this section in the preceding fiscal year using 366  
the offset calculated under this division. If the payments 367  
calculated under this division differ from the payments made under 368  
division (C) of this section in the preceding fiscal year, the 369  
difference shall either be paid to a school district or recaptured 370  
from a school district through an adjustment at the same times 371  
during the current fiscal year that the payments under division 372  
(C) of this section are made. In August and October of the current 373  
fiscal year, the amount of each adjustment shall be three-sevenths 374  
of the amount calculated under this division. In May of the 375  
current fiscal year, the adjustment shall be one-seventh of the 376  
amount calculated under this division. 377

(C)(1) The department of education shall pay from the school 378  
district tangible property tax replacement fund to each school 379  
district and joint vocational school district all of the following 380  
for fixed-rate levy losses certified under divisions (G) and (I) 381  
of section 5751.20 of the Revised Code: 382

~~(1)~~(a) On or before May 31, 2006, one-seventh of the total 383  
fixed-rate levy loss for tax year 2006; 384

~~(2)~~(b) On or before August 31, 2006, and October 31, 2006, 385  
one-half of six-sevenths of the total fixed-rate levy loss for tax 386  
year 2006; 387

<del>(3)</del> (c) On or before May 31, 2007, one-seventh of the total	388
fixed-rate levy loss for tax year 2007;	389
<del>(4)</del> (d) On or before August 31, 2007, and October 31, 2007,	390
forty-three per cent of the amount determined under division	391
(A)(2) of this section for fiscal year 2008, but not less than	392
zero, plus one-half of six-sevenths of the difference between the	393
total fixed-rate levy loss for tax year 2007 and the total	394
fixed-rate levy loss for tax year 2006.	395
<del>(5)</del> (e) On or before May 31, 2008, fourteen per cent of the	396
amount determined under division (A)(2) of this section for fiscal	397
year 2008, but not less than zero, plus one-seventh of the	398
difference between the total fixed-rate levy loss for tax year	399
2008 and the total fixed-rate levy loss for tax year 2006.	400
<del>(6)</del> (f) On or before August 31, 2008, and October 31, 2008,	401
forty-three per cent of the amount determined under division	402
(A)(2) of this section for fiscal year 2009, but not less than	403
zero, plus one-half of six-sevenths of the difference between the	404
total fixed-rate levy loss in tax year 2008 and the total	405
fixed-rate levy loss in tax year 2007.	406
<del>(7)</del> (g) On or before May 31, 2009, fourteen per cent of the	407
amount determined under division (A)(2) of this section for fiscal	408
year 2009, but not less than zero, plus one-seventh of the	409
difference between the total fixed-rate levy loss for tax year	410
2009 and the total fixed-rate levy loss for tax year 2007.	411
<del>(8)</del> (h) On or before August 31, 2009, and October 31, 2009,	412
forty-three per cent of the amount determined under division	413
(A)(2) of this section for fiscal year 2010, but not less than	414
zero, plus one-half of six-sevenths of the difference between the	415
total fixed-rate levy loss in tax year 2009 and the total	416
fixed-rate levy loss in tax year 2008.	417
<del>(9)</del> (i) On or before May 31, 2010, fourteen per cent of the	418

amount determined under division (A)(2) of this section for fiscal 419  
year 2010, but not less than zero, plus one-seventh of the 420  
difference between the total fixed-rate levy loss in tax year 2010 421  
and the total fixed-rate levy loss in tax year 2008. 422

~~(10)~~(j) On or before August 31, 2010, and October 31, 2010, 423  
forty-three per cent of the amount determined under division 424  
(A)(2) of this section for fiscal year 2011, but not less than 425  
zero, plus one-half of six-sevenths of the difference between the 426  
telephone property fixed-rate levy loss for tax year 2010 and the 427  
telephone property fixed-rate levy loss for tax year 2009. 428

~~(11)~~(k) On or before May 31, 2011, fourteen per cent of the 429  
amount determined under division (A)(2) of this section for fiscal 430  
year 2011, but not less than zero, plus one-seventh of the 431  
difference between the telephone property fixed-rate levy loss for 432  
tax year 2011 and the telephone property fixed-rate levy loss for 433  
tax year 2009. 434

~~(12)~~(l) On or before August 31, 2011, and October 31, 2011, 435  
forty-three per cent of the amount determined under division 436  
(A)(2) of this section, but not less than zero, plus one-half of 437  
six-sevenths of the difference between the telephone property 438  
fixed-rate levy loss for tax year 2011 and the telephone property 439  
fixed-rate levy loss for tax year 2010. 440

~~(13)~~(m) On or before May 31, 2012, fourteen per cent of the 441  
amount determined under division (A)(2) of this section for fiscal 442  
year 2012, but not less than zero, plus one-seventh of the 443  
difference between the telephone property fixed-rate levy loss for 444  
tax year 2011 and the telephone property fixed-rate levy loss for 445  
tax year 2010. 446

~~(14)~~(n) On or before August 31, 2012, October 31, 2012, and 447  
May 31, 2013, the amount determined under division (A)(2) of this 448  
section but not less than zero, multiplied by one-third. 449

~~(15) On or before August 31, 2013, October 31, 2013, and May 31, 2014, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is nine and the denominator of which is seventeen, but not less than zero, multiplied by one third.~~

~~(16) On or before August 31, 2014, October 31, 2014, and May 31, 2015, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is seven and the denominator of which is seventeen, but not less than zero, multiplied by one third.~~

~~(17) On or before August 31, 2015, October 31, 2015, and May 31, 2016, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is five and the denominator of which is seventeen, but not less than zero, multiplied by one third.~~

~~(18) On or before August 31, 2016, October 31, 2016, and May 31, 2017, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is three and the denominator of which is seventeen, but not less than zero, multiplied by one third.~~

~~(19) On or before August 31, 2017, October 31, 2017, and May 31, 2018, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is one and the denominator of which is seventeen, but not less than zero, multiplied by one third.~~

(2) Beginning in fiscal year 2014, on or before August 31, October 31, and May 31 of that fiscal year and each fiscal year thereafter, the department of education shall pay from the school district tangible property tax replacement fund to each school district and joint vocational district one-third of the amount calculated under division (C)(2)(a) of this section.



(a) The amount determined under division (A)(2) of this section for that year, multiplied by the applicable percentage according to the following table:

<u>Fiscal Year</u>	<u>School District Classes</u>				
	<u>Class I</u>	<u>Class II</u>	<u>Class III</u>	<u>Class IV</u>	
<u>2014</u>	<u>100%</u>	<u>95%</u>	<u>90%</u>	<u>90%</u>	486
<u>2015</u>	<u>100%</u>	<u>95%</u>	<u>90%</u>	<u>80%</u>	487
<u>2016</u>	<u>100%</u>	<u>90%</u>	<u>80%</u>	<u>70%</u>	488
<u>2017</u>	<u>100%</u>	<u>90%</u>	<u>80%</u>	<u>60%</u>	489
<u>2018</u>	<u>100%</u>	<u>85%</u>	<u>70%</u>	<u>50%</u>	490
<u>2019</u>	<u>100%</u>	<u>85%</u>	<u>70%</u>	<u>40%</u>	491
<u>2020</u>	<u>100%</u>	<u>80%</u>	<u>60%</u>	<u>30%</u>	492
<u>2021</u>	<u>100%</u>	<u>80%</u>	<u>60%</u>	<u>20%</u>	493
<u>2022</u>	<u>100%</u>	<u>75%</u>	<u>50%</u>	<u>10%</u>	494
<u>2023</u>	<u>100%</u>	<u>75%</u>	<u>50%</u>	<u>0%</u>	495
<u>2024 and 2025</u>	<u>100%</u>	<u>70%</u>	<u>40%</u>	<u>0%</u>	496
<u>2026 and 2027</u>	<u>100%</u>	<u>65%</u>	<u>30%</u>	<u>0%</u>	497
<u>2028 and 2029</u>	<u>100%</u>	<u>60%</u>	<u>20%</u>	<u>0%</u>	498
<u>2030 and 2031</u>	<u>100%</u>	<u>55%</u>	<u>10%</u>	<u>0%</u>	499
<u>2032 and 2033</u>	<u>100%</u>	<u>50%</u>	<u>0%</u>	<u>0%</u>	500
<u>2034 and 2035</u>	<u>100%</u>	<u>45%</u>	<u>0%</u>	<u>0%</u>	501
<u>2036 and 2037</u>	<u>100%</u>	<u>40%</u>	<u>0%</u>	<u>0%</u>	502
<u>2038 and 2039</u>	<u>100%</u>	<u>35%</u>	<u>0%</u>	<u>0%</u>	503
<u>2040 and 2041</u>	<u>100%</u>	<u>30%</u>	<u>0%</u>	<u>0%</u>	504
<u>2042 and 2043</u>	<u>100%</u>	<u>25%</u>	<u>0%</u>	<u>0%</u>	505
<u>2044 and 2045</u>	<u>100%</u>	<u>20%</u>	<u>0%</u>	<u>0%</u>	506
<u>2046 and 2047</u>	<u>100%</u>	<u>15%</u>	<u>0%</u>	<u>0%</u>	507
<u>2048 and 2049</u>	<u>100%</u>	<u>10%</u>	<u>0%</u>	<u>0%</u>	508
<u>2050 and 2051</u>	<u>100%</u>	<u>5%</u>	<u>0%</u>	<u>0%</u>	509
<u>2052 and thereafter</u>	<u>100%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	510

(b) For purposes of this division:

(i) "Class I" includes each school district and joint vocational district whose total fixed-rate levy loss as of tax year 2011 is at least ten per cent of the district's operating budget for fiscal year 2010. 512  
513  
514  
515

(ii) "Class II" includes each school district and joint vocational district whose total fixed-rate levy loss as of tax year 2011 is at least five and four-fifths per cent but less than ten per cent of the district's operating budget for fiscal year 2010. 516  
517  
518  
519  
520

(iii) "Class III" includes each school district and joint vocational district whose total fixed-rate levy loss as of tax year 2011 is at least three and three-tenths per cent but less than five and four-fifths per cent of the district's operating budget for fiscal year 2010. 521  
522  
523  
524  
525

(iv) "Class IV" includes each school district and joint vocational district whose total fixed-rate levy loss as of tax year 2011 is less than three and three-tenths per cent of the district's operating budget for fiscal year 2010. 526  
527  
528  
529

(v) "Operating budget" means the sum of a school district's state education aid for the fiscal year and its total taxes charged and payable for current expenses from the district's property taxes and income taxes that are appropriated for that fiscal year. 530  
531  
532  
533  
534

The department of education shall report to each school district and joint vocational school district the apportionment of the payments among the school district's or joint vocational school district's funds based on the certifications under divisions (G) and (I) of section 5751.20 of the Revised Code. 535  
536  
537  
538  
539

Any qualifying levy that is a fixed-rate levy that is not applicable to a tax year after 2010 does not qualify for any reimbursement after the tax year to which it is last applicable. 540  
541  
542

(D) For taxes levied within the ten-mill limitation for debt purposes in tax year 2005, payments shall be made equal to one hundred per cent of the loss computed as if the tax were a fixed-rate levy, ~~but~~ and those payments shall extend ~~from fiscal year 2006 through fiscal year 2018~~, as long as the qualifying levy continues to be used for debt purposes. If the purpose of such a qualifying levy is changed, that levy becomes subject to the payments determined in division (C) of this section.

(E)(1) Not later than January 1, 2006, for each fixed-sum levy of each school district or joint vocational school district and for each year for which a determination is made under division (E) of section 5751.20 of the Revised Code that a fixed-sum levy loss is to be reimbursed, the tax commissioner shall certify to the department of education the fixed-sum levy loss determined under that division. The certification shall cover a time period sufficient to include all fixed-sum levies for which the commissioner made such a determination. The department shall pay from the school district property tax replacement fund to the school district or joint vocational school district one-third of the fixed-sum levy loss so certified for each year, plus one-third of the amount certified under division (I) of section 5751.20 of the Revised Code, on or before the last day of May, August, and October of the current year. Payments under this division of the amounts certified under division (I) of section 5751.20 of the Revised Code shall continue until the levy adopted under section 5705.219 of the Revised Code expires.

(2) Beginning in 2006, by the first day of January of each year, the tax commissioner shall review the certification originally made under division (E)(1) of this section. If the commissioner determines that a debt levy that had been scheduled to be reimbursed in the current year has expired, a revised certification for that and all subsequent years shall be made to

the department of education. 575

(F) Beginning in September 2007 ~~and through June 2018~~ and for 576  
each year thereafter, the director of budget and management shall 577  
transfer from the school district tangible property tax 578  
replacement fund to the general revenue fund each of the 579  
following: 580

(1) On the first day of September, one-fourth of the amount 581  
determined for that fiscal year under division (A)(1) of this 582  
section; 583

(2) On the first day of December, one-fourth of the amount 584  
determined for that fiscal year under division (A)(1) of this 585  
section; 586

(3) On the first day of March, one-fourth of the amount 587  
determined for that fiscal year under division (A)(1) of this 588  
section; 589

(4) On the first day of June, one-fourth of the amount 590  
determined for that fiscal year under division (A)(1) of this 591  
section. 592

If, when a transfer is required under division (F)(1), (2), 593  
(3), or (4) of this section, there is not sufficient money in the 594  
school district tangible property tax replacement fund to make the 595  
transfer in the required amount, the director shall transfer the 596  
balance in the fund to the general revenue fund and may make 597  
additional transfers on later dates as determined by the director 598  
in a total amount that does not exceed one-fourth of the amount 599  
determined for the fiscal year. 600

(G) For each ~~of the fiscal years~~ year beginning with fiscal 601  
year 2006 ~~through 2018~~, if the total amount in the school district 602  
tangible property tax replacement fund is insufficient to make all 603  
payments under divisions (C), (D), and (E) of this section at the 604  
times the payments are to be made, the director of budget and 605

management shall transfer from the general revenue fund to the 606  
school district tangible property tax replacement fund the 607  
difference between the total amount to be paid and the amount in 608  
the school district tangible property tax replacement fund. ~~For~~ 609  
~~each fiscal year after 2018, at the time payments under division~~ 610  
~~(E) of this section are to be made, the director of budget and~~ 611  
~~management shall transfer from the general revenue fund to the~~ 612  
~~school district property tax replacement fund the amount necessary~~ 613  
~~to make such payments.~~ 614

(H)~~(1)~~ On the fifteenth day of June of 2006 through 2011, the 615  
director of budget and management may transfer any balance in the 616  
school district tangible property tax replacement fund to the 617  
general revenue fund. At the end of fiscal ~~years~~ year 2012 ~~through~~ 618  
~~2018 and each fiscal year thereafter~~, any balance in the school 619  
district tangible property tax replacement fund shall remain in 620  
the fund to be used in future fiscal years for school purposes. 621

~~(2) In each fiscal year beginning with fiscal year 2019, all~~ 622  
~~amounts credited to the school district tangible personal property~~ 623  
~~tax replacement fund shall be appropriated for school purposes.~~ 624

(I) If all of the territory of a school district or joint 625  
vocational school district is merged with another district, or if 626  
a part of the territory of a school district or joint vocational 627  
school district is transferred to an existing or newly created 628  
district, the department of education, in consultation with the 629  
tax commissioner, shall adjust the payments made under this 630  
section as follows: 631

(1) For a merger of two or more districts, the machinery and 632  
equipment, inventory, furniture and fixtures, and telephone 633  
property fixed-rate levy losses and the fixed-sum levy losses of 634  
the successor district shall be equal to the sum of the machinery 635  
and equipment, inventory, furniture and fixtures, and telephone 636  
property fixed-rate levy losses and debt levy losses as determined 637

in section 5751.20 of the Revised Code, for each of the districts 638  
involved in the merger. 639

(2) If property is transferred from one district to a 640  
previously existing district, the amount of machinery and 641  
equipment, inventory, furniture and fixtures, and telephone 642  
property tax value losses and fixed-rate levy losses that shall be 643  
transferred to the recipient district shall be an amount equal to 644  
the total machinery and equipment, inventory, furniture and 645  
fixtures, and telephone property fixed-rate levy losses times a 646  
fraction, the numerator of which is the value of business tangible 647  
personal property on the land being transferred in the most recent 648  
year for which data are available, and the denominator of which is 649  
the total value of business tangible personal property in the 650  
district from which the land is being transferred in the most 651  
recent year for which data are available. For each of the first 652  
five years after the property is transferred, but not after fiscal 653  
year 2012, if the tax rate in the recipient district is less than 654  
the tax rate of the district from which the land was transferred, 655  
one-half of the payments arising from the amount of fixed-rate 656  
levy losses so transferred to the recipient district shall be paid 657  
to the recipient district and one-half of the payments arising 658  
from the fixed-rate levy losses so transferred shall be paid to 659  
the district from which the land was transferred. Fixed-rate levy 660  
losses so transferred shall be computed on the basis of the sum of 661  
the rates of fixed-rate qualifying levies of the district from 662  
which the land was transferred, notwithstanding division (E) of 663  
this section. 664

(3) After December 31, 2004, if property is transferred from 665  
one or more districts to a district that is newly created out of 666  
the transferred property, the newly created district shall be 667  
deemed not to have any machinery and equipment, inventory, 668  
furniture and fixtures, or telephone property fixed-rate levy 669

losses and the districts from which the property was transferred 670  
shall have no reduction in their machinery and equipment, 671  
inventory, furniture and fixtures, and telephone property 672  
fixed-rate levy losses. 673

(4) If the recipient district under division (I)(2) of this 674  
section or the newly created district under division (I)(3) of 675  
this section is assuming debt from one or more of the districts 676  
from which the property was transferred and any of the districts 677  
losing the property had fixed-sum levy losses, the department of 678  
education, in consultation with the tax commissioner, shall make 679  
an equitable division of the fixed-sum levy loss reimbursements. 680

**Section 2.** That existing sections 5751.20 and 5751.21 of the 681  
Revised Code are hereby repealed. 682