

As Introduced

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

S. B. No. 111

Senator Stewart

Cosponsors: Senators Carey, Schaffer, Hughes

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A B I L L

To amend sections 5751.20, 5751.21, 5751.22, and 1
5751.23 of the Revised Code to make permanent the 2
temporary reimbursements for local government and 3
school district tangible personal property tax 4
losses. 5

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

Section 1. That sections 5751.20, 5751.21, 5751.22, and 6
5751.23 of the Revised Code be amended to read as follows: 7

Sec. 5751.20. (A) As used in sections 5751.20 to 5751.22 of 8
the Revised Code: 9

(1) "School district," "joint vocational school district," 10
"local taxing unit," "recognized valuation," "fixed-rate levy," 11
and "fixed-sum levy" have the same meanings as used in section 12
5727.84 of the Revised Code. 13

(2) "State education aid" for a school district means the sum 14
of state aid amounts computed for the district under division (A) 15
of section 3317.022 of the Revised Code, including the amounts 16
calculated under sections 3317.029 and 3317.0217 of the Revised 17
Code; divisions (C)(1), (C)(4), (D), (E), and (F) of section 18
3317.022; divisions (B), (C), and (D) of section 3317.023; 19

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

(3) "State education aid" for a joint vocational school 30
district means the sum of the state aid computed for the district 31
under division (N) of section 3317.024 and section 3317.16 of the 32
Revised Code, except that, for fiscal years 2008 and 2009, the 33
amount computed under Section 269.30.80 of H.B. 119 of the 127th 34
general assembly and as that section subsequently may be amended 35
shall be included. 36

(4) "State education aid offset" means the amount determined 37
for each school district or joint vocational school district under 38
division (A)(1) of section 5751.21 of the Revised Code. 39

(5) "Machinery and equipment property tax value loss" means 40
the amount determined under division (C)(1) of this section. 41

(6) "Inventory property tax value loss" means the amount 42
determined under division (C)(2) of this section. 43

(7) "Furniture and fixtures property tax value loss" means 44
the amount determined under division (C)(3) of this section. 45

(8) "Machinery and equipment fixed-rate levy loss" means the 46
amount determined under division (D)(1) of this section. 47

(9) "Inventory fixed-rate levy loss" means the amount 48
determined under division (D)(2) of this section. 49

(10) "Furniture and fixtures fixed-rate levy loss" means the amount determined under division (D)(3) of this section.	50 51
(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.	52 53 54 55
(12) "Fixed-sum levy loss" means the amount determined under division (E) of this section.	56 57
(13) "Machinery and equipment" means personal property subject to the assessment rate specified in division (F) of section 5711.22 of the Revised Code.	58 59 60
(14) "Inventory" means personal property subject to the assessment rate specified in division (E) of section 5711.22 of the Revised Code.	61 62 63
(15) "Furniture and fixtures" means personal property subject to the assessment rate specified in division (G) of section 5711.22 of the Revised Code.	64 65 66
(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 would be in effect for tax year 2010.	67 68 69 70 71 72
(17) "Telephone property" means tangible personal property of a telephone, telegraph, or interexchange telecommunications company subject to an assessment rate specified in section 5727.111 of the Revised Code in tax year 2004.	73 74 75 76
(18) "Telephone property tax value loss" means the amount determined under division (C)(4) of this section.	77 78
(19) "Telephone property fixed-rate levy loss" means the	79

amount determined under division (D)(4) of this section. 80

(B) The commercial activities tax receipts fund is hereby 81
 created in the state treasury and shall consist of money arising 82
 from the tax imposed under this chapter. All money in that fund 83
 shall be credited for each fiscal year in the following 84
 percentages to the general revenue fund, to the school district 85
 tangible property tax replacement fund, which is hereby created in 86
 the state treasury for the purpose of making the payments 87
 described in section 5751.21 of the Revised Code, and to the local 88
 government tangible property tax replacement fund, which is hereby 89
 created in the state treasury for the purpose of making the 90
 payments described in section 5751.22 of the Revised Code, in the 91
 following percentages: 92

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%	94
2007	0%	70.0%	30.0%	95
2008	0%	70.0%	30.0%	96
2009	0%	70.0%	30.0%	97
2010	0%	70.0%	30.0%	98
2011 <u>and</u>	0%	70.0%	30.0%	99
<u>thereafter</u>				
2012	5.3%	70.0%	24.7%	100
2013	10.6%	70.0%	19.4%	101
2014	14.1%	70.0%	15.9%	102
2015	17.6%	70.0%	12.4%	103
2016	21.1%	70.0%	8.9%	104
2017	24.6%	70.0%	5.4%	105
2018	28.1%	70.0%	1.9%	106
2019 and	30%	70%	0%	107

~~thereafter~~

(C) Not later than September 15, 2005, the tax commissioner 108
shall determine for each school district, joint vocational school 109
district, and local taxing unit its machinery and equipment, 110
inventory property, furniture and fixtures property, and telephone 111
property tax value losses, which are the applicable amounts 112
described in divisions (C)(1), (2), (3), and (4) of this section, 113
except as provided in division (C)(5) of this section: 114

(1) Machinery and equipment property tax value loss is the 115
taxable value of machinery and equipment property as reported by 116
taxpayers for tax year 2004 multiplied by: 117

(a) For tax year 2006, thirty-three and eight-tenths per 118
cent; 119

(b) For tax year 2007, sixty-one and three-tenths per cent; 120

(c) For tax year 2008, eighty-three per cent; 121

(d) For tax year 2009 and thereafter, one hundred per cent. 122

(2) Inventory property tax value loss is the taxable value of 123
inventory property as reported by taxpayers for tax year 2004 124
multiplied by: 125

(a) For tax year 2006, a fraction, the numerator of which is 126
five and three-fourths and the denominator of which is 127
twenty-three; 128

(b) For tax year 2007, a fraction, the numerator of which is 129
nine and one-half and the denominator of which is twenty-three; 130

(c) For tax year 2008, a fraction, the numerator of which is 131
thirteen and one-fourth and the denominator of which is 132
twenty-three; 133

(d) For tax year 2009 and thereafter a fraction, the 134
numerator of which is seventeen and the denominator of which is 135
twenty-three. 136

(3) Furniture and fixtures property tax value loss is the	137
taxable value of furniture and fixture property as reported by	138
taxpayers for tax year 2004 multiplied by:	139
(a) For tax year 2006, twenty-five per cent;	140
(b) For tax year 2007, fifty per cent;	141
(c) For tax year 2008, seventy-five per cent;	142
(d) For tax year 2009 and thereafter, one hundred per cent.	143
The taxable value of property reported by taxpayers used in	144
divisions (C)(1), (2), and (3) of this section shall be such	145
values as determined to be final by the tax commissioner as of	146
August 31, 2005. Such determinations shall be final except for any	147
correction of a clerical error that was made prior to August 31,	148
2005, by the tax commissioner.	149
(4) Telephone property tax value loss is the taxable value of	150
telephone property as taxpayers would have reported that property	151
for tax year 2004 if the assessment rate for all telephone	152
property for that year were twenty-five per cent, multiplied by:	153
(a) For tax year 2006, zero per cent;	154
(b) For tax year 2007, zero per cent;	155
(c) For tax year 2008, zero per cent;	156
(d) For tax year 2009, sixty per cent;	157
(e) For tax year 2010, eighty per cent;	158
(f) For tax year 2011 and thereafter, one hundred per cent.	159
(5) Division (C)(5) of this section applies to any school	160
district, joint vocational school district, or local taxing unit	161
in a county in which is located a facility currently or formerly	162
devoted to the enrichment or commercialization of uranium or	163
uranium products, and for which the total taxable value of	164
property listed on the general tax list of personal property for	165

any tax year from tax year 2001 to tax year 2004 was fifty per 166
cent or less of the taxable value of such property listed on the 167
general tax list of personal property for the next preceding tax 168
year. 169

In computing the fixed-rate levy losses under divisions 170
(D)(1), (2), and (3) of this section for any school district, 171
joint vocational school district, or local taxing unit to which 172
division (C)(5) of this section applies, the taxable value of such 173
property as listed on the general tax list of personal property 174
for tax year 2000 shall be substituted for the taxable value of 175
such property as reported by taxpayers for tax year 2004, in the 176
taxing district containing the uranium facility, if the taxable 177
value listed for tax year 2000 is greater than the taxable value 178
reported by taxpayers for tax year 2004. For the purpose of making 179
the computations under divisions (D)(1), (2), and (3) of this 180
section, the tax year 2000 valuation is to be allocated to 181
machinery and equipment, inventory, and furniture and fixtures 182
property in the same proportions as the tax year 2004 values. For 183
the purpose of the calculations in division (A) of section 5751.21 184
of the Revised Code, the tax year 2004 taxable values shall be 185
used. 186

To facilitate the calculations required under division (C) of 187
this section, the county auditor, upon request from the tax 188
commissioner, shall provide by August 1, 2005, the values of 189
machinery and equipment, inventory, and furniture and fixtures for 190
all single-county personal property taxpayers for tax year 2004. 191

(D) Not later than September 15, 2005, the tax commissioner 192
shall determine for each tax year from 2006 through 2009 for each 193
school district, joint vocational school district, and local 194
taxing unit its machinery and equipment, inventory, and furniture 195
and fixtures fixed-rate levy losses, and for each tax year from 196
2006 through 2011 its telephone property fixed-rate levy loss, 197

which are the applicable amounts described in divisions (D)(1), 198
(2), (3), and (4) of this section: 199

(1) The machinery and equipment fixed-rate levy loss is the 200
machinery and equipment property tax value loss multiplied by the 201
sum of the tax rates of fixed-rate qualifying levies. 202

(2) The inventory fixed-rate loss is the inventory property 203
tax value loss multiplied by the sum of the tax rates of 204
fixed-rate qualifying levies. 205

(3) The furniture and fixtures fixed-rate levy loss is the 206
furniture and fixture property tax value loss multiplied by the 207
sum of the tax rates of fixed-rate qualifying levies. 208

(4) The telephone property fixed-rate levy loss is the 209
telephone property tax value loss multiplied by the sum of the tax 210
rates of fixed-rate qualifying levies. 211

(E) Not later than September 15, 2005, the tax commissioner 212
shall determine for each school district, joint vocational school 213
district, and local taxing unit its fixed-sum levy loss. The 214
fixed-sum levy loss is the amount obtained by subtracting the 215
amount described in division (E)(2) of this section from the 216
amount described in division (E)(1) of this section: 217

(1) The sum of the machinery and equipment property tax value 218
loss, the inventory property tax value loss, and the furniture and 219
fixtures property tax value loss, and, for 2008 ~~through 2017~~ and 220
thereafter the telephone property tax value loss of the district 221
or unit multiplied by the sum of the fixed-sum tax rates of 222
qualifying levies. For 2006 through 2010, this computation shall 223
include all qualifying levies remaining in effect for the current 224
tax year and any school district levies imposed under section 225
5705.194 or 5705.213 of the Revised Code that are qualifying 226
levies not remaining in effect for the current year. For 2011 227
~~through 2017 in the case of school district levies imposed under~~ 228

~~section 5705.194 or 5705.213 of the Revised Code and for all years~~ 229
~~after 2010 in the case of other fixed sum levies and thereafter,~~ 230
this computation shall include only qualifying levies remaining in 231
effect for the current year. For purposes of this computation, a 232
qualifying school district levy imposed under section 5705.194 or 233
5705.213 of the Revised Code remains in effect in a year after 234
2010 only if, for that year, the board of education levies a 235
school district levy imposed under section 5705.194 or 5705.213 of 236
the Revised Code for an annual sum at least equal to the annual 237
sum levied by the board in tax year 2004 less the amount of the 238
payment certified under this division for 2006. 239

(2) The total taxable value in tax year 2004 less the sum of 241
the machinery and equipment, inventory, furniture and fixtures, 242
and telephone property tax value losses in each school district, 243
joint vocational school district, and local taxing unit multiplied 244
by one-half of one mill per dollar. 245

(3) For the calculations in divisions (E)(1) and (2) of this 246
section, the tax value losses are those that would be calculated 247
for tax year 2009 under divisions (C)(1), (2), and (3) of this 248
section and for tax year 2011 under division (C)(4) of this 249
section. 250

(4) To facilitate the calculation under divisions (D) and (E) 251
of this section, not later than September 1, 2005, any school 252
district, joint vocational school district, or local taxing unit 253
that has a qualifying levy that was approved at an election 254
conducted during 2005 before September 1, 2005, shall certify to 255
the tax commissioner a copy of the county auditor's certificate of 256
estimated property tax millage for such levy as required under 257
division (B) of section 5705.03 of the Revised Code, which is the 258
rate that shall be used in the calculations under such divisions. 259

If the amount determined under division (E) of this section 260

for any school district, joint vocational school district, or 261
local taxing unit is greater than zero, that amount shall equal 262
the reimbursement to be paid pursuant to division (E) of section 263
5751.21 or division (A)(3) of section 5751.22 of the Revised Code, 264
and the one-half of one mill that is subtracted under division 265
(E)(2) of this section shall be apportioned among all contributing 266
fixed-sum levies in the proportion that each levy bears to the sum 267
of all fixed-sum levies within each school district, joint 268
vocational school district, or local taxing unit. 269

(F) Not later than October 1, 2005, the tax commissioner 270
shall certify to the department of education for every school 271
district and joint vocational school district the machinery and 272
equipment, inventory, furniture and fixtures, and telephone 273
property tax value losses determined under division (C) of this 274
section, the machinery and equipment, inventory, furniture and 275
fixtures, and telephone fixed-rate levy losses determined under 276
division (D) of this section, and the fixed-sum levy losses 277
calculated under division (E) of this section. The calculations 278
under divisions (D) and (E) of this section shall separately 279
display the levy loss for each levy eligible for reimbursement. 280

(G) Not later than October 1, 2005, the tax commissioner 281
shall certify the amount of the fixed-sum levy losses to the 282
county auditor of each county in which a school district, joint 283
vocational school district, or local taxing unit with a fixed-sum 284
levy loss reimbursement has territory. 285

Sec. 5751.21. (A) Not later than the thirtieth day of July of 286
2007 ~~through 2017~~ and of each year thereafter, the department of 287
education shall consult with the director of budget and management 288
and determine the following for each school district and each 289
joint vocational school district eligible for payment under 290
division (B) of this section: 291

(1) The state education aid offset, which is the difference 292
obtained by subtracting the amount described in division (A)(1)(b) 293
of this section from the amount described in division (A)(1)(a) of 294
this section: 295

(a) The state education aid computed for the school district 296
or joint vocational school district for the current fiscal year as 297
of the thirtieth day of July; 298

(b) The state education aid that would be computed for the 299
school district or joint vocational school district for the 300
current fiscal year as of the thirtieth day of July if the 301
recognized valuation included the machinery and equipment, 302
inventory, furniture and fixtures, and telephone property tax 303
value losses for the school district or joint vocational school 304
district for the second preceding tax year, and if taxes charged 305
and payable associated with the tax value losses are accounted for 306
in any state education aid computation dependent on taxes charged 307
and payable. 308

(2) The greater of zero or the difference obtained by 309
subtracting the state education aid offset determined under 310
division (A)(1) of this section from the sum of the machinery and 311
equipment fixed-rate levy loss, the inventory fixed-rate levy 312
loss, furniture and fixtures fixed-rate levy loss, and telephone 313
property fixed-rate levy loss certified under division (F) of 314
section 5751.20 of the Revised Code for all taxing districts in 315
each school district and joint vocational school district for the 316
second preceding tax year. 317

By the thirtieth day of July of each such year, the 318
department of education and the director of budget and management 319
shall agree upon the amount to be determined under division (A)(1) 320
of this section. 321

(B) On or before the thirty-first day of August of each year 322

beginning in 2008, the department of education shall recalculate 323
the offset described under division (A) of this section for the 324
previous fiscal year and recalculate the payments made under 325
division (C) of this section in the preceding fiscal year using 326
the offset calculated under this division. If the payments 327
calculated under this division differ from the payments made under 328
division (C) of this section in the preceding fiscal year, the 329
difference shall either be paid to a school district or recaptured 330
from a school district through an adjustment at the same times 331
during the current fiscal year that the payments under division 332
(C) of this section are made. In August and October of the current 333
fiscal year, the amount of each adjustment shall be three-sevenths 334
of the amount calculated under this division. In May of the 335
current fiscal year, the adjustment shall be one-seventh of the 336
amount calculated under this division. 337

(C) The department of education shall pay from the school 338
district tangible property tax replacement fund to each school 339
district and joint vocational school district all of the following 340
for fixed-rate levy losses certified under division (F) of section 341
5751.20 of the Revised Code: 342

(1) On or before May 31, 2006, one-seventh of the total 343
fixed-rate levy loss for tax year 2006; 344

(2) On or before August 31, 2006, and October 31, 2006, 345
one-half of six-sevenths of the total fixed-rate levy loss for tax 346
year 2006; 347

(3) On or before May 31, 2007, one-seventh of the total 348
fixed-rate levy loss for tax year 2007; 349

(4) On or before August 31, 2007, and October 31, 2007, 350
forty-three per cent of the amount determined under division 351
(A)(2) of this section for fiscal year 2008, but not less than 352
zero, plus one-half of six-sevenths of the difference between the 353

total fixed-rate levy loss for tax year 2007 and the total 354
fixed-rate levy loss for tax year 2006. 355

(5) On or before May 31, 2008, fourteen per cent of the 356
amount determined under division (A)(2) of this section for fiscal 357
year 2008, but not less than zero, plus one-seventh of the 358
difference between the total fixed-rate levy loss for tax year 359
2008 and the total fixed-rate levy loss for tax year 2006. 360

(6) On or before August 31, 2008, and October 31, 2008, 361
forty-three per cent of the amount determined under division 362
(A)(2) of this section for fiscal year 2009, but not less than 363
zero, plus one-half of six-sevenths of the difference between the 364
total fixed-rate levy loss in tax year 2008 and the total 365
fixed-rate levy loss in tax year 2007. 366

(7) On or before May 31, 2009, fourteen per cent of the 367
amount determined under division (A)(2) of this section for fiscal 368
year 2009, but not less than zero, plus one-seventh of the 369
difference between the total fixed-rate levy loss for tax year 370
2009 and the total fixed-rate levy loss for tax year 2007. 371

(8) On or before August 31, 2009, and October 31, 2009, 372
forty-three per cent of the amount determined under division 373
(A)(2) of this section for fiscal year 2010, but not less than 374
zero, plus one-half of six-sevenths of the difference between the 375
total fixed-rate levy loss in tax year 2009 and the total 376
fixed-rate levy loss in tax year 2008. 377

(9) On or before May 31, 2010, fourteen per cent of the 378
amount determined under division (A)(2) of this section for fiscal 379
year 2010, but not less than zero, plus one-seventh of the 380
difference between the total fixed-rate levy loss in tax year 2010 381
and the total fixed-rate levy loss in tax year 2008. 382

(10) On or before August 31, 2010, and October 31, 2010, 383
forty-three per cent of the amount determined under division 384

(A)(2) of this section for fiscal year 2011, but not less than 385
zero, plus one-half of six-sevenths of the difference between the 386
telephone property fixed-rate levy loss for tax year 2010 and the 387
telephone property fixed-rate levy loss for tax year 2009. 388

(11) On or before May 31, 2011, fourteen per cent of the 389
amount determined under division (A)(2) of this section for fiscal 390
year 2011, but not less than zero, plus one-seventh of the 391
difference between the telephone property fixed-rate levy loss for 392
tax year 2011 and the telephone property fixed-rate levy loss for 393
tax year 2009. 394

(12) On or before August 31, 2011, and October 31, 2011, 395
forty-three per cent of the amount determined under division 396
(A)(2) of this section ~~multiplied by a fraction, the numerator of~~ 397
~~which is fourteen and the denominator of which is seventeen~~, but 398
not less than zero, ~~multiplied by forty three per cent~~, plus 399
one-half of six-sevenths of the difference between the telephone 400
property fixed-rate levy loss for tax year 2011 and the telephone 401
property fixed-rate levy loss for tax year 2010. 402

(13) On or before May 31, 2012, fourteen per cent of the 403
amount determined under division (A)(2) of this section for fiscal 404
year 2012, ~~multiplied by a fraction, the numerator of which is~~ 405
~~fourteen and the denominator of which is seventeen~~ but not less 406
than zero, plus one-seventh of the difference between the 407
telephone property fixed-rate levy loss for tax year 2011 and the 408
telephone property fixed-rate levy loss for tax year 2010. 409

(14) On or before ~~August 31, 2012, October 31, 2012, and May~~ 410
~~31, 2013~~, the amount determined under division (A)(2) of this 411
section ~~multiplied by a fraction, the numerator of which is eleven~~ 412
~~and the denominator of which is seventeen, but not less than zero,~~ 413
~~multiplied by one third.~~ 414

~~(15) On or before August 31, 2013, October 31, 2013, and May~~ 415

~~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 the thirty-first day of August and October of 2012 and of each year thereafter and the thirty-first day of May of 2013 and of each year thereafter, one-third of the amount determined under division (A)(2) of this section, but not less than zero.~~

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 division 447
(F) of section 5751.20 of the Revised Code. 448

Any qualifying levy that is a fixed-rate levy that is not 449
applicable to a tax year after 2010 does not qualify for any 450
reimbursement after the tax year to which it is last applicable. 451

(D) For taxes levied within the ten-mill limitation for debt 452
purposes in tax year 2005, payments shall be made equal to one 453
hundred per cent of the loss computed as if the tax were a 454
~~fixed-rate levy, but those payments shall extend from fiscal year~~ 455
~~2006 through fiscal year 2018, as long as the qualifying levy~~ 456
~~continues to be used for debt purposes. If the purpose of such a~~ 457
~~qualifying levy is changed, that levy becomes subject to the~~ 458
~~payments determined in division (C) of this section.~~ 459

(E)(1) Not later than January 1, 2006, for each fixed-sum 460
levy of each school district or joint vocational school district 461
and for each year for which a determination is made under division 462
~~(F)~~(E) of section 5751.20 of the Revised Code that a fixed-sum 463
levy loss is to be reimbursed, the tax commissioner shall certify 464
to the department of education the fixed-sum levy loss determined 465
under that division. The certification shall cover a time period 466
sufficient to include all fixed-sum levies for which the 467
commissioner made such a determination. The department shall pay 468
from the school district property tax replacement fund to the 469
school district or joint vocational school district one-third of 470
the fixed-sum levy loss so certified for each year on or before 471
the last day of May, August, and October of the current year. 472

(2) Beginning in 2006, by the first day of January of each 473
year, the tax commissioner shall review the certification 474
originally made under division (E)(1) of this section. If the 475
commissioner determines that a debt levy that had been scheduled 476
to be reimbursed in the current year has expired, a revised 477
certification for that and all subsequent years shall be made to 478

the department of education. 479

(F) Beginning in September 2007 ~~and through June 2018~~, the 480
director of budget and management shall transfer from the school 481
district tangible property tax replacement fund to the general 482
revenue fund each of the following: 483

(1) On the first day of September, one-fourth of the amount 484
determined for that fiscal year under division (A)(1) of this 485
section; 486

(2) On the first day of December, one-fourth of the amount 487
determined for that fiscal year under division (A)(1) of this 488
section; 489

(3) On the first day of March, one-fourth of the amount 490
determined for that fiscal year under division (A)(1) of this 491
section; 492

(4) On the first day of June, one-fourth of the amount 493
determined for that fiscal year under division (A)(1) of this 494
section. 495

If, when a transfer is required under division (F)(1), (2), 496
(3), or (4) of this section, there is not sufficient money in the 497
school district tangible property tax replacement fund to make the 498
transfer in the required amount, the director shall transfer the 499
balance in the fund to the general revenue fund and may make 500
additional transfers on later dates as determined by the director 501
in a total amount that does not exceed one-fourth of the amount 502
determined for the fiscal year. 503

(G) ~~For each of the fiscal years 2006 through 2018, if~~ If the 504
total amount in the school district tangible property tax 505
replacement fund is insufficient to make all payments under 506
divisions (C), (D), and (E) of this section at the times the 507
payments are to be made, the director of budget and management 508
shall transfer from the general revenue fund to the school 509

district tangible property tax replacement fund the difference 510
between the total amount to be paid and the amount in the school 511
district tangible property tax replacement fund. ~~For each fiscal~~ 512
~~year after 2018, at the time payments under division (E) of this~~ 513
~~section are to be made, the director of budget and management~~ 514
~~shall transfer from the general revenue fund to the school~~ 515
~~district property tax replacement fund the amount necessary to~~ 516
~~make such payments.~~ 517

(H)~~(1)~~ On the fifteenth day of June of 2006 through 2011, the 518
director of budget and management may transfer any balance in the 519
school district tangible property tax replacement fund to the 520
general revenue fund. ~~At the end of fiscal years 2012 through~~ 521
~~2018, any balance in the school district tangible property tax~~ 522
~~replacement fund shall remain in the fund to be used in future~~ 523
~~fiscal years for school purposes.~~ 524

~~(2) In each fiscal year beginning with fiscal year 2019~~ In 525
each fiscal year thereafter, all amounts credited to the school 526
district tangible personal property tax replacement fund shall be 527
appropriated for school purposes. 528

(I) If all of the territory of a school district or joint 529
vocational school district is merged with another district, or if 530
a part of the territory of a school district or joint vocational 531
school district is transferred to an existing or newly created 532
district, the department of education, in consultation with the 533
tax commissioner, shall adjust the payments made under this 534
section as follows: 535

(1) For a merger of two or more districts, the machinery and 536
equipment, inventory, furniture and fixtures, and telephone 537
property fixed-rate levy losses and the fixed-sum levy losses of 538
the successor district shall be equal to the sum of the machinery 539
and equipment, inventory, furniture and fixtures, and telephone 540
property fixed-rate levy losses and debt levy losses as determined 541

in section 5751.20 of the Revised Code, for each of the districts 542
involved in the merger. 543

(2) If property is transferred from one district to a 544
previously existing district, the amount of machinery and 545
equipment, inventory, furniture and fixtures, and telephone 546
property tax value losses and fixed-rate levy losses that shall be 547
transferred to the recipient district shall be an amount equal to 548
the total machinery and equipment, inventory, furniture and 549
fixtures, and telephone property fixed-rate levy losses times a 550
fraction, the numerator of which is the value of business tangible 551
personal property on the land being transferred in the most recent 552
year for which data are available, and the denominator of which is 553
the total value of business tangible personal property in the 554
district from which the land is being transferred in the most 555
recent year for which data are available. For each of the first 556
five years after the property is transferred, but not after fiscal 557
year 2012, if the tax rate in the recipient district is less than 558
the tax rate of the district from which the land was transferred, 559
one-half of the payments arising from the amount of fixed-rate 560
levy losses so transferred to the recipient district shall be paid 561
to the recipient district and one-half of the payments arising 562
from the fixed-rate levy losses so transferred shall be paid to 563
the district from which the land was transferred. Fixed-rate levy 564
losses so transferred shall be computed on the basis of the sum of 565
the rates of fixed-rate qualifying levies of the district from 566
which the land was transferred, notwithstanding division (E) of 567
this section. 568

(3) After December 31, 2004, if property is transferred from 569
one or more districts to a district that is newly created out of 570
the transferred property, the newly created district shall be 571
deemed not to have any machinery and equipment, inventory, 572
furniture and fixtures, or telephone property fixed-rate levy 573

losses and the districts from which the property was transferred 574
shall have no reduction in their machinery and equipment, 575
inventory, furniture and fixtures, and telephone property 576
fixed-rate levy losses. 577

(4) If the recipient district under division (I)(2) of this 578
section or the newly created district under divisions (I)(3) of 579
this section is assuming debt from one or more of the districts 580
from which the property was transferred and any of the districts 581
losing the property had fixed-sum levy losses, the department of 582
education, in consultation with the tax commissioner, shall make 583
an equitable division of the fixed-sum levy loss reimbursements. 584

Sec. 5751.22. (A) Not later than January 1, 2006, the tax 585
commissioner shall compute the payments to be made to each local 586
taxing unit for each year according to divisions (A)(1), (2), (3), 587
and (4) of this section, and shall distribute the payments in the 588
manner prescribed by division (C) of this section. The calculation 589
of the fixed-sum levy loss shall cover a time period sufficient to 590
include all fixed-sum levies for which the commissioner 591
determined, pursuant to division (E) of section 5751.20 of the 592
Revised Code, that a fixed-sum levy loss is to be reimbursed. 593

(1) ~~Except as provided in division (A)(4) of this section,~~ 594
~~for~~ For machinery and equipment, inventory, and furniture and 595
fixtures fixed-rate levy losses determined under division (D) of 596
section 5751.20 of the Revised Code, payments shall be made in an 597
amount equal to each of those losses ~~multiplied by the following:~~ 598

~~(a) For tax years 2006 through 2010, one hundred per cent;~~ 599

~~(b) For tax year 2011, a fraction, the numerator of which is 600
fourteen and the denominator of which is seventeen;~~ 601

~~(c) For tax year 2012, a fraction, the numerator of which is 602
eleven and the denominator of which is seventeen;~~ 603

~~(d) For tax year 2013, a fraction, the numerator of which is
nine and the denominator of which is seventeen;~~ 604
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~~(e) For tax year 2014, a fraction, the numerator of which is
seven and the denominator of which is seventeen;~~ 606
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~~(f) For tax year 2015, a fraction, the numerator of which is
five and the denominator of which is seventeen;~~ 608
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~~(g) For tax year 2016, a fraction, the numerator of which is
three and the denominator of which is seventeen;~~ 610
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~~(h) For tax year 2017, a fraction, the numerator of which is
one and the denominator of which is seventeen;~~ 612
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~~(i) For tax years 2018 and thereafter, no fixed rate payments
shall be made.~~ 614
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Any qualifying levy that is a fixed-rate levy that is not 616
applicable to a tax year after 2010 shall not qualify for any 617
reimbursement after the tax year to which it is last applicable. 618

~~(2) Except as provided in division (A)(4) of this section,
~~for~~ For telephone property fixed-rate levy losses determined under 619
division (D)(4) of section 5751.20 of the Revised Code, payments 620
shall be made in an amount equal to each of those losses 621
multiplied by the following:~~ 622
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~~(a) For tax years 2009 through 2011, one hundred per cent;~~ 624

~~(b) For tax year 2012, seven eighths;~~ 625

~~(c) For tax year 2013, six eighths;~~ 626

~~(d) For tax year 2014, five eighths;~~ 627

~~(e) For tax year 2015, four eighths;~~ 628

~~(f) For tax year 2016, three eighths;~~ 629

~~(g) For tax year 2017, two eighths;~~ 630

~~(h) For tax year 2018, one eighth;~~ 631

~~(i) For tax years 2019 and thereafter, no fixed rate payments shall be made.~~ 632
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Any qualifying levy that is a fixed-rate levy that is not applicable to a tax year after 2011 shall not qualify for any reimbursement after the tax year to which it is last applicable. 634
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(3) For fixed-sum levy losses determined under division (E) of section 5751.20 of the Revised Code, payments shall be made in the amount of one hundred per cent of the fixed-sum levy loss for payments required to be made in 2006 and thereafter. 637
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(4) For taxes levied within the ten-mill limitation for debt purposes in tax year 2005, payments shall be made ~~based on the schedule in division (A)(1) of this section for each of the calendar years 2006 through 2010. For each of the calendar years 2011 through 2017, the percentages for calendar year 2010 shall be used, 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 payment schedules in divisions (A)(1)(a) to (h) of this section. No payments shall be made for such levies after calendar year 2017 equal to one-hundred per cent of the loss computed as if the tax were a fixed-rate levy.~~ 641
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(B) Beginning in 2007, by the thirty-first day of January of each year, the tax commissioner shall review the calculation originally made under division (A) of this section of the fixed-sum levy losses determined under division (E) of section 5751.20 of the Revised Code. If the commissioner determines that a fixed-sum levy that had been scheduled to be reimbursed in the current year has expired, a revised calculation for that and all subsequent years shall be made. 652
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(C) Payments to local taxing units required to be made under division (A) of this section shall be paid from the local government tangible property tax replacement fund to the county 660
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undivided income tax fund in the proper county treasury. Beginning 663
in May 2006, one-seventh of the amount certified under that 664
division shall be paid by the last day of May each year, and 665
three-sevenths shall be paid by the last day of August and October 666
each year. Within forty-five days after receipt of such payments, 667
the county treasurer shall distribute amounts determined under 668
division (A) of this section to the proper local taxing unit as if 669
they had been levied and collected as taxes, and the local taxing 670
unit shall apportion the amounts so received among its funds in 671
the same proportions as if those amounts had been levied and 672
collected as taxes. 673

(D) ~~For each of the fiscal years 2006 through 2019, if~~ If the 674
total amount in the local government tangible property tax 675
replacement fund is insufficient to make all payments under 676
division (C) of this section at the times the payments are to be 677
made, the director of budget and management shall transfer from 678
the general revenue fund to the local government tangible property 679
tax replacement fund the difference between the total amount to be 680
paid and the amount in the local government tangible property tax 681
replacement fund. ~~For each fiscal year after 2019, at the time~~ 682
~~payments under division (A)(2) of this section are to be made, the~~ 683
~~director of budget and management shall transfer from the general~~ 684
~~revenue fund to the local government property tax replacement fund~~ 685
~~the amount necessary to make such payments.~~ 686

(E) On the fifteenth day of June of each year ~~from 2006~~ 687
~~through 2018~~ beginning in 2006, the director of budget and 688
management may transfer any balance in the local government 689
tangible property tax replacement fund to the general revenue 690
fund. 691

(F) If all or a part of the territories of two or more local 692
taxing units are merged, or unincorporated territory of a township 693
is annexed by a municipal corporation, the tax commissioner shall 694

adjust the payments made under this section to each of the local 695
taxing units in proportion to the tax value loss apportioned to 696
the merged or annexed territory, or as otherwise provided by a 697
written agreement between the legislative authorities of the local 698
taxing units certified to the commissioner not later than the 699
first day of June of the calendar year in which the payment is to 700
be made. 701

Sec. 5751.23. (A) As used in this section: 702

(1) "Administrative fees" means the dollar percentages 703
allowed by the county auditor for services or by the county 704
treasurer as fees, or paid to the credit of the real estate 705
assessment fund, under divisions (A) and (C) of section 319.54 and 706
division (A) of section 321.26 of the Revised Code. 707

(2) "Administrative fee loss" means a county's loss of 708
administrative fees due to its tax value loss, determined as 709
follows: 710

~~(a) For purposes of the determination made under division (B)~~ 711
~~of this section in the years 2006 through 2010, the administrative~~ 712
~~fee loss shall be computed~~ by multiplying the amounts determined 713
for all taxing districts in the county under divisions (D) and (E) 714
of section 5751.20 of the Revised Code by nine thousand six 715
hundred fifty-nine ten-thousandths of one per cent if total taxes 716
collected in the county in 2004 exceeded one hundred fifty million 717
dollars, or one and one thousand one hundred fifty-nine 718
ten-thousandths of one per cent if total taxes collected in the 719
county in 2004 were one hundred fifty million dollars or less: 720

~~(b) For purposes of the determination under division (B) of~~ 721
~~this section in the years after 2010, the administrative fee~~ 722
~~losses shall be determined by multiplying the administrative fee~~ 723
~~losses calculated for 2010 by the fractions in divisions (A)(1)(b)~~ 724
~~to (i) of section 5751.22 of the Revised Code.~~ 725

(3) "Total taxes collected" means all money collected on any tax duplicate of the county, other than the estate tax duplicates. "Total taxes collected" does not include amounts received pursuant to divisions (F) and (G) of section 321.24 or section 323.156 of the Revised Code.

(B) Not later than December 31, 2005, the tax commissioner shall certify to each county auditor the tax levy losses calculated under divisions (D) and (E) of section 5751.20 of the Revised Code for each school district, joint vocational school district, and local taxing unit in the county. Not later than the thirty-first day of January of 2006 through 2017, the county auditor shall determine the administrative fee loss for the county and apportion that loss ratably among the school districts, joint vocational school districts, and local taxing units on the basis of the tax levy losses certified under this division.

(C) On or before each of the days prescribed for the settlements under divisions (A) and (C) of section 321.24 of the Revised Code in the years 2006 through 2017, the county treasurer shall deduct one-half of the amount apportioned to each school district, joint vocational school district, and local taxing unit from the portions of revenue payable to them.

(D) On or before each of the days prescribed for settlements under divisions (A) and (C) of section 321.24 of the Revised Code in the years 2006 through 2017, the county auditor shall cause to be deposited an amount equal to one-half of the amount of the administrative fee loss in the same funds as if allowed as administrative fees.

Section 2. That existing sections 5751.20, 5751.21, 5751.22, and 5751.23 of the Revised Code are hereby repealed.