

As Introduced

**128th General Assembly
Regular Session
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S. B. No. 199

Senator Gibbs

Cosponsors: Senators Cates, Seitz

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To amend section 5701.03 and to enact section 1
5713.031 of the Revised Code to define certain 2
golf course landscape features as personal 3
property for tax purposes, and to prescribe a 4
method of estimating the true value of golf 5
courses for tax purposes. 6

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

Section 1. That section 5701.03 be amended and section 7
5713.031 of the Revised Code be enacted to read as follows: 8

Sec. 5701.03. As used in Title LVII of the Revised Code: 9

(A) "Personal property" includes every tangible thing that is 10
the subject of ownership, whether animate or inanimate, including 11
a business fixture, and that does not constitute real property as 12
defined in section 5701.02 of the Revised Code. "Personal 13
property" also includes every share, portion, right, or interest, 14
either legal or equitable, in and to every ship, vessel, or boat, 15
used or designed to be used in business either exclusively or 16
partially in navigating any of the waters within or bordering on 17
this state, whether such ship, vessel, or boat is within the 18
jurisdiction of this state or elsewhere. "Personal property" does 19

not include money as defined in section 5701.04 of the Revised Code, motor vehicles registered by the owner thereof, electricity, or, for purposes of any tax levied on personal property, patterns, jigs, dies, or drawings that are held for use and not for sale in the ordinary course of business, except to the extent that the value of the electricity, patterns, jigs, dies, or drawings is included in the valuation of inventory produced for sale.

(B) "Business fixture" means an item of tangible personal property that has become permanently attached or affixed to the land or to a building, structure, or improvement, and that primarily benefits the business conducted by the occupant on the premises and not the realty. "Business fixture" includes, but is not limited to, machinery, equipment, signs, cart paths, storage bins and tanks, whether above or below ground, and broadcasting, transportation, irrigation, transmission, and distribution systems, whether above or below ground; and structures affixed to or constructed over land that consist of soil and other natural materials requiring regular maintenance, that primarily benefit the business conducted on the premises, and that are depreciable under 26 U.S.C. 167. "Business fixture" also means those portions of buildings, structures, and improvements that are specially designed, constructed, and used for the business conducted in the building, structure, or improvement, including, but not limited to, foundations and supports for machinery and equipment. "Business fixture" does not include fixtures that are common to buildings, including, but not limited to, heating, ventilation, and air conditioning systems primarily used to control the environment for people or animals, tanks, towers, and lines for potable water or water for fire control, electrical and communication lines, and other fixtures that primarily benefit the realty and not the business conducted by the occupant on the premises.

Sec. 5713.031. For purposes of section 5713.03 of the Revised Code, when determining the true value in money of a golf course property that has not been the subject of a recent arm's length sale and for which appraisal as a golf course use is justified as either the highest and best use or as a special purpose use, the county auditor shall determine the true value pursuant to division (A) or (B) of this section. 52 53 54 55 56 57 58

(A) For golf courses that operate primarily on a for-profit, daily-fee basis, the true value in money shall be determined using the income approach as described in the uniform rules and methods of valuing and assessing real property as adopted, prescribed, and promulgated by the tax commissioner. The value of all tangible and intangible personal property that contributes to the net operating income used in the income approach shall be deducted from the resulting valuation in order to determine the true value in money of the taxable property only. The capitalization rate used shall reflect all anticipated risks of the golf course operation, including weather-related risks and competition from golf courses that are exempted from taxation. The county auditor of a county in which a golf course is located may request the owner of the golf course to provide income and expense data on a form prescribed by the tax commissioner. No document containing data provided pursuant to this division shall be deemed a public document or record, but shall be a confidential document for use only in assessing the taxable property and shall not be subject to inspection or copying as public records pursuant to section 149.43 of the Revised Code. If an owner declines within thirty days of such request to provide this data and the auditor is thereafter unable to determine the true value in money of the taxable property using the income approach, the property shall be valued in accordance with division (B) of this section. 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82

(B) For all other golf courses, the true value in money shall 83

be determined using the market data approach in combination with 84
the cost approach. 85

Section 2. That existing section 5701.03 of the Revised Code 86
is hereby repealed. 87