

As Introduced

**130th General Assembly
Regular Session
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S. B. No. 127

Senator Jordan

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A B I L L

To amend sections 319.202, 323.155, and 5713.041 and 1
to enact section 323.16 of the Revised Code to 2
create a property tax and a manufactured home tax 3
reduction for parents of home schooled children 4
equal to the taxes levied by the school district 5
on the homestead of the parent. 6

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

Section 1. That sections 319.202, 323.155, and 5713.041 be 7
amended and section 323.16 of the Revised Code be enacted to read 8
as follows: 9

Sec. 319.202. Before the county auditor indorses any real 10
property conveyance or manufactured or mobile home conveyance 11
presented to the auditor pursuant to section 319.20 of the Revised 12
Code or registers any manufactured or mobile home conveyance 13
pursuant to section 4503.061 of the Revised Code, the grantee or 14
the grantee's representative shall submit in triplicate a 15
statement, prescribed by the tax commissioner, and other 16
information as the county auditor may require, declaring the value 17
of real property or manufactured or mobile home conveyed, except 18
that when the transfer is exempt under division (G)(3) of section 19
319.54 of the Revised Code only a statement of the reason for the 20

exemption shall be required. Each statement submitted under this 21
section shall contain the information required under divisions (A) 22
and (B) of this section. 23

(A) Each statement submitted under this section shall either: 24

(1) Contain an affirmation by the grantee that the grantor 25
has been asked by the grantee or the grantee's representative 26
whether to the best of the grantor's knowledge either the 27
preceding or the current year's taxes on the real property or the 28
current or following year's taxes on the manufactured or mobile 29
home conveyed will be reduced under division (A) of section 30
323.152 or under section 323.16 or 4503.065 of the Revised Code 31
and that the grantor indicated that to the best of the grantor's 32
knowledge the taxes will not be so reduced; or 33

(2) Be accompanied by a sworn or affirmed instrument stating: 34

(a) To the best of the grantor's knowledge the real property 35
or the manufactured or mobile home that is the subject of the 36
conveyance is eligible for and will receive a reduction in taxes 37
for or payable in the current year under division (A) of section 38
323.152 or under section 323.16 or 4503.065 of the Revised Code 39
and that the reduction or reductions will be reflected in the 40
grantee's taxes; 41

(b) The estimated amount of such reductions that will be 42
reflected in the grantee's taxes; 43

(c) That the grantor and the grantee have considered and 44
accounted for the total estimated amount of such reductions to the 45
satisfaction of both the grantee and the grantor. The auditor 46
shall indorse the instrument, return it to the grantee or the 47
grantee's representative, and provide a copy of the indorsed 48
instrument to the grantor or the grantor's representative. 49

(B) Each statement submitted under this section shall either: 50

(1) Contain an affirmation by the grantee that the grantor 51
has been asked by the grantee or the grantee's representative 52
whether to the best of the grantor's knowledge the real property 53
conveyed qualified for the current agricultural use valuation 54
under section 5713.30 of the Revised Code either for the preceding 55
or the current year and that the grantor indicated that to the 56
best of the grantor's knowledge the property conveyed was not so 57
qualified; or 58

(2) Be accompanied by a sworn or affirmed instrument stating: 59

(a) To the best of the grantor's knowledge the real property 60
conveyed was qualified for the current agricultural use valuation 61
under section 5713.30 of the Revised Code either for the preceding 62
or the current year; 63

(b) To the extent that the property will not continue to 64
qualify for the current agricultural use valuation either for the 65
current or the succeeding year, that the property will be subject 66
to a recoupment charge equal to the tax savings in accordance with 67
section 5713.34 of the Revised Code; 68

(c) That the grantor and the grantee have considered and 69
accounted for the total estimated amount of such recoupment, if 70
any, to the satisfaction of both the grantee and the grantor. The 71
auditor shall indorse the instrument, forward it to the grantee or 72
the grantee's representative, and provide a copy of the indorsed 73
instrument to the grantor or the grantor's representative. 74

(C) The grantor shall pay the fee required by division (G)(3) 75
of section 319.54 of the Revised Code; and, in the event the board 76
of county commissioners of the county has levied a real property 77
or a manufactured home transfer tax pursuant to Chapter 322. of 78
the Revised Code, the amount required by the real property or 79
manufactured home transfer tax so levied. If the conveyance is 80
exempt from the fee provided for in division (G)(3) of section 81

319.54 of the Revised Code and the tax, if any, levied pursuant to 82
Chapter 322. of the Revised Code, the reason for such exemption 83
shall be shown on the statement. "Value" means, in the case of any 84
deed or certificate of title not a gift in whole or part, the 85
amount of the full consideration therefor, paid or to be paid for 86
the real estate or manufactured or mobile home described in the 87
deed or title, including the amount of any mortgage or vendor's 88
lien thereon. If property sold under a land installment contract 89
is conveyed by the seller under such contract to a third party and 90
the contract has been of record at least twelve months prior to 91
the date of conveyance, "value" means the unpaid balance owed to 92
the seller under the contract at the time of the conveyance, but 93
the statement shall set forth the amount paid under such contract 94
prior to the date of conveyance. In the case of a gift in whole or 95
part, "value" means the estimated price the real estate or 96
manufactured or mobile home described in the deed or certificate 97
of title would bring in the open market and under the then 98
existing and prevailing market conditions in a sale between a 99
willing seller and a willing buyer, both conversant with the 100
property and with prevailing general price levels. No person shall 101
willfully falsify the value of property conveyed. 102

(D) The auditor shall indorse each conveyance on its face to 103
indicate the amount of the conveyance fee and compliance with this 104
section and if the property is residential rental property include 105
a statement that the grantee shall file with the county auditor 106
the information required under division (A) or (C) of section 107
5323.02 of the Revised Code. The auditor shall retain the original 108
copy of the statement of value, forward to the tax commissioner 109
one copy on which shall be noted the most recent assessed value of 110
the property, and furnish one copy to the grantee or the grantee's 111
representative. 112

(E) In order to achieve uniform administration and collection 113

of the transfer fee required by division (G)(3) of section 319.54 114
of the Revised Code, the tax commissioner shall adopt and 115
promulgate rules for the administration and enforcement of the 116
levy and collection of such fee. 117

(F) As used in this section, "residential rental property" 118
has the same meaning as in section 5323.01 of the Revised Code. 119

Sec. 323.155. The tax bill prescribed under section 323.131 120
of the Revised Code shall indicate the net amount of taxes due 121
following the reductions in taxes under sections 319.301, 319.302, 122
~~and~~ 323.152, and 323.16 of the Revised Code. 123

Any reduction in taxes under section 323.152 of the Revised 124
Code shall be disregarded as income or resources in determining 125
eligibility for any program or calculating any payment under Title 126
LI of the Revised Code. 127

Sec. 323.16. (A) As used in this section: 128

(1)(a) "Homestead" means a dwelling, including a 129
multiple-unit dwelling, a unit in a housing cooperative as defined 130
in section 323.151 of the Revised Code, or a manufactured home or 131
mobile home as defined in section 4501.01 of the Revised Code, 132
owned and occupied by the home school parent as the home school 133
parent's principal place of abode. 134

(b) The homestead shall include so much of the land 135
surrounding it, not exceeding one acre, as is reasonably necessary 136
for the use of the dwelling or unit as a home. 137

(c) An owner includes a holder of one of the estates in fee, 138
a vendee in possession under a purchase agreement or a land 139
contract, a mortgagor, a life tenant, one or more tenants with a 140
right of survivorship, tenants in common, and a settlor of a 141
revocable or irrevocable inter vivos trust holding the title to a 142
homestead occupied by the settlor as of right under the trust. 143

(d) If a home school parent owns more than one dwelling in the same school district simultaneously during the taxable year, the dwelling the home school parent occupies as an abode for the plurality of the year shall be the taxpayer's homestead for the purposes of this section. 144
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(e) The tax commissioner shall adopt rules for the uniform classification of real property and manufactured or mobile homes as homesteads for the purposes of this section. 149
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(2) "Home school parent" means the parent of a child who meets all of the following criteria: 152
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(a) The child is of compulsory school age. 154

(b) The child is entitled to attend school in this state. 155

(c) For the majority of the year for which the tax reduction is sought under this section, the child receives instruction at home by a person qualified to teach the branches in which instruction is required, and such additional branches, as the advancement and needs of the child may require. 156
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(d) The superintendent of the city or exempted village school district or the educational service center in which the child resides and the homestead is located excuses the child from school attendance under division (A)(2) of section 3321.04 of the Revised Code. 161
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(3) "Parent" and "compulsory school age" have the same meanings as in section 3321.01 of the Revised Code. 166
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(B)(1) In addition to the reduction in taxes permitted or required under sections 319.302, 323.152, or 4503.065 of the Revised Code, the real property taxes or the manufactured home taxes on a homestead owned and occupied by a home school parent shall be reduced for each year for which an application for the reduction has been approved under division (D) of this section. 168
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(2) The reduction in taxes shall equal the product obtained 174
by multiplying the following: 175

(a) The effective tax rate levied by the city, local, or 176
exempted village school district in which the homestead is located 177
on real property classified as residential/agricultural by the 178
county auditor under section 5713.041 of the Revised Code for the 179
taxable year as published by the county treasurer under section 180
323.08 of the Revised Code; 181

(b) The taxable value of the homestead, or in the case of a 182
manufactured home, the assessable value of the homestead. 183

(3) If any part of a homestead is used to conduct a trade or 184
business, the tax reduction calculated under division (B)(2) of 185
this section shall be reduced in proportion to the portion of the 186
homestead used to conduct a trade or business. 187

(C)(1) To obtain a reduction in taxes under division (B) of 188
this section, a home school parent shall file an application with 189
the county auditor of the county in which the home school parent's 190
homestead is located. If the home school parent is seeking a 191
reduction in real property taxes, the application is due after the 192
first Monday in January and not later than the first Monday in 193
June of the year for which the reduction is sought. If the home 194
school parent is seeking a reduction in manufactured home taxes, 195
the application is due after the first Monday in January and not 196
later than the first Monday in June of the year preceding the year 197
for which the reduction is sought. 198

(2) The application shall be in the form of a signed 199
statement on a document, devised and supplied by the tax 200
commissioner, which shall require no more information than is 201
necessary to establish the applicant's eligibility for the 202
reduction in taxes and the amount of the reduction. The 203
application shall contain a statement that conviction of willfully 204

falsifying information to obtain a reduction in taxes or failing 205
to comply with this section results in the revocation of the right 206
to reduction for a period of three years. 207

(3) The application shall be accompanied by a certified copy 208
of the papers showing the qualifications of the person instructing 209
the child at home executed and filed under division (A)(2) of 210
section 3321.04 of the Revised Code by the superintendent of the 211
city or exempted village school district or the educational 212
service center in which the child resides. 213

(4) A home school parent may file a late application for a 214
tax reduction after the first Monday in January and not later than 215
the first Monday in June of the year immediately following the 216
year in which the application was due under division (C)(1) of 217
this section. If the county auditor determines the information 218
contained in the late application is correct, the auditor shall 219
determine the amount of the reduction in taxes to which the 220
applicant would have been entitled for the applicable tax year had 221
the applicant's application been timely filed and approved. 222

The amount of such reduction shall be treated by the auditor 223
as an overpayment of taxes by the applicant and shall be refunded 224
in the manner prescribed by section 5715.22 of the Revised Code 225
for making refunds of overpayments. 226

(5) No person shall knowingly make a false statement for the 227
purpose of obtaining a reduction in the person's real property or 228
manufactured home taxes under this section. 229

(D)(1) The county auditor shall approve or deny an 230
application for reduction submitted by a home school parent under 231
division (C) of this section and shall so notify the applicant not 232
later than the first Monday in October following receipt of the 233
application. Notification shall be provided on a form prescribed 234
by the tax commissioner. If the application is approved, upon 235

issuance of the notification the county auditor shall record the 236
amount of the reduction in taxes in the appropriate column on the 237
general tax list and duplicate of real and public utility property 238
or on the manufactured home tax list. If the application is 239
denied, the notification shall inform the applicant of the reasons 240
for the denial. 241

(2) If an applicant believes that the application for 242
reduction has been improperly denied or that the reduction is for 243
less than that to which the applicant is entitled, the applicant 244
may file an appeal with the county board of revision not later 245
than the date of closing of the collection for the first half of 246
real and public utility property taxes or manufactured home taxes. 247
The appeal shall be treated in the same manner as a complaint 248
relating to the valuation or assessment of real property under 249
Chapter 5715. of the Revised Code. 250

(3) Notwithstanding any other provisions of this section, the 251
county auditor may not approve any application for a tax reduction 252
under this section for any tax year before tax year 2014. 253

(E) If after application of sections 5705.31 and 5705.32 of 254
the Revised Code, including the allocation of all levies within 255
the ten-mill limitation to debt charges to the extent provided in 256
those sections, there would be insufficient funds for payment of 257
debt charges not provided for by levies in excess of the ten-mill 258
limitation, the reduction of taxes provided for in this section 259
shall be proportionally adjusted to the extent necessary to 260
provide such funds from levies within the ten-mill limitation. 261

(F) The spouse of a home school parent who receives a 262
reduction under this section may not receive a reduction under 263
this section for a different homestead for the same tax year. 264

(G) The county auditor, when issuing a warrant on the county 265
treasurer under section 319.16 of the Revised Code for the 266

proportion of real property taxes and manufactured home taxes 267
payable to a city, local, or exempted village school district 268
after the settlement of taxes under divisions (A) and (C) of 269
section 321.24 of the Revised Code, shall reduce the amount 270
payable to the school district by the total tax reductions allowed 271
under this section during the collection period by home school 272
parents on homesteads within the school district. The county 273
treasurer shall reduce payment to the treasurer of the school 274
district under section 321.31 of the Revised Code in accordance 275
with the warrant issued by the county auditor. 276

Sec. 5713.041. Each separate parcel of real property shall be 277
classified by the county auditor according to its principal, 278
current use. Vacant lots and tracts of land upon which there are 279
no structures or improvements shall be classified in accordance 280
with their location and their highest and best probable legal use. 281
In the case of lands containing or producing minerals, the 282
minerals or any rights to the minerals that are listed and taxed 283
separately from such lands shall be separately classified if the 284
lands are also used for agricultural purposes, whether or not the 285
fee of the soil and the right to the minerals are owned by and 286
assessed for taxation against the same person. For purposes of 287
this section, lands and improvements thereon used for residential 288
or agricultural purposes shall be classified as 289
residential/agricultural real property, and all other lands and 290
improvements thereon and minerals or rights to minerals shall be 291
classified as nonresidential/agricultural real property. Each year 292
the auditor shall reclassify each parcel of real property whose 293
principal, current use has changed from the preceding year to a 294
use appropriate to classification in the other class. Except as 295
otherwise provided in division (B)(2) of section 323.16, division 296
(B) of section 5709.40, division (B) of section 5709.41, division 297
(A)(2) of section 5709.73, or division (D) of section 5709.77 of 298

the Revised Code, the classification required by this section is 299
solely for the purpose of making the reductions in taxes required 300
by section 319.301 of the Revised Code, and this section shall not 301
apply for purposes of classifying real property for any other 302
purpose authorized or required by law or by rule of the tax 303
commissioner. 304

The commissioner shall adopt rules governing the 305
classification of property under this section, and no property 306
shall be so classified except in accordance with such rules. 307

Section 2. That existing sections 319.202, 323.155, and 308
5713.041 of the Revised Code are hereby repealed. 309