

As Introduced

**130th General Assembly
Regular Session
2013-2014**

S. B. No. 376

Senator Schiavoni

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A B I L L

To amend sections 319.302, 3318.032, and 3318.37 of 1
the Revised Code to revise the law governing 2
classroom facilities assistance programs and to 3
restore the application of the 10% and 2.5% 4
property tax rollbacks to school district tax 5
levies approved on or after the effective date of 6
Am. Sub. H.B. 59 of the 130th General Assembly. 7

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

Section 1. That sections 319.302, 3318.032, and 3318.37 of 8
the Revised Code be amended to read as follows: 9

Sec. 319.302. (A)(1) Real property that is not intended 10
primarily for use in a business activity shall qualify for a 11
partial exemption from real property taxation. For purposes of 12
this partial exemption, "business activity" includes all uses of 13
real property, except farming; leasing property for farming; 14
occupying or holding property improved with single-family, 15
two-family, or three-family dwellings; leasing property improved 16
with single-family, two-family, or three-family dwellings; or 17
holding vacant land that the county auditor determines will be 18
used for farming or to develop single-family, two-family, or 19
three-family dwellings. For purposes of this partial exemption, 20

"farming" does not include land used for the commercial production of timber that is receiving the tax benefit under section 5713.23 or 5713.31 of the Revised Code and all improvements connected with such commercial production of timber.

(2) Each year, the county auditor shall review each parcel of real property to determine whether it qualifies for the partial exemption provided for by this section as of the first day of January of the current tax year.

(B) After complying with section 319.301 of the Revised Code, the county auditor shall reduce the remaining sums to be levied by qualifying levies against each parcel of real property that is listed on the general tax list and duplicate of real and public utility property for the current tax year and that qualifies for partial exemption under division (A) of this section, and against each manufactured and mobile home that is taxed pursuant to division (D)(2) of section 4503.06 of the Revised Code and that is on the manufactured home tax list for the current tax year, by ten per cent, to provide a partial exemption for that parcel or home. For the purposes of this division:

(1) "Qualifying levy" means a tax levied outside the ten-mill limitation by a school district; a levy proposed by a taxing authority other than a school district and approved at an election held before September 29, 2013; a levy within the ten-mill limitation; a levy provided for by the charter of a municipal corporation that was levied on the tax list for tax year 2013; a subsequent renewal of any such levy; or a subsequent substitute for such a levy under section 5705.199 of the Revised Code.

(2) "Qualifying levy" does not include any replacement imposed under section 5705.192 of the Revised Code of any levy described in division (B)(1) of this section except a levy outside the ten-mill limitation imposed by a school district.

(3) "School district" means a city, local, exempted village, 52
cooperative education, or joint vocational school district. 53

(C) Except as otherwise provided in sections 323.152, 54
323.158, 505.06, and 715.263 of the Revised Code, the amount of 55
the taxes remaining after any such reduction shall be the real and 56
public utility property taxes charged and payable on each parcel 57
of real property, including property that does not qualify for 58
partial exemption under division (A) of this section, and the 59
manufactured home tax charged and payable on each manufactured or 60
mobile home, and shall be the amounts certified to the county 61
treasurer for collection. Upon receipt of the real and public 62
utility property tax duplicate, the treasurer shall certify to the 63
tax commissioner the total amount by which the real property taxes 64
were reduced under this section, as shown on the duplicate. Such 65
reduction shall not directly or indirectly affect the 66
determination of the principal amount of notes that may be issued 67
in anticipation of any tax levies or the amount of bonds or notes 68
for any planned improvements. If after application of sections 69
5705.31 and 5705.32 of the Revised Code and other applicable 70
provisions of law, including divisions (F) and (I) of section 71
321.24 of the Revised Code, there would be insufficient funds for 72
payment of debt charges on bonds or notes payable from taxes 73
reduced by this section, the reduction of taxes provided for in 74
this section shall be adjusted to the extent necessary to provide 75
funds from such taxes. 76

(D) The tax commissioner may adopt rules governing the 77
administration of the partial exemption provided for by this 78
section. 79

(E) The determination of whether property qualifies for 80
partial exemption under division (A) of this section is solely for 81
the purpose of allowing the partial exemption under division (B) 82
of this section. 83

Sec. 3318.032. (A) Except as otherwise provided in divisions	84
(C) and (D) of this section, the portion of the basic project cost	85
supplied by the school district shall be the greater of:	86
(1) The required percentage of the basic project costs;	87
(2)(a) For all districts except a district that opts to	88
divide its entire classroom facilities needs into segments to be	89
completed separately as authorized by section 3318.034 of the	90
Revised Code, an amount necessary to raise the school district's	91
net bonded indebtedness, as of the date the controlling board	92
approved the project, to within five thousand dollars of the	93
required level of indebtedness;	94
(b) For a district that opts to divide its entire classroom	95
facilities needs into segments to be completed separately as	96
authorized by section 3318.034 of the Revised Code, an amount	97
necessary to raise the school district's net bonded indebtedness,	98
as of the date the controlling board approved the project, to	99
within five thousand dollars of the following:	100
The required level of indebtedness X (the basic	101
project cost of the segment as approved	102
by the controlling board / the estimated basic	103
project cost of the district's entire classroom facilities	104
needs as determined jointly by the staff of the Ohio	105
school facilities commission and the district)	106
(B) The amount of the district's share determined under this	107
section shall be calculated only as of the date the controlling	108
board approved the project, and that amount applies throughout the	109
thirteen-month period permitted under section 3318.05 of the	110
Revised Code for the district's electors to approve the	111
propositions described in that section. If the amount reserved and	112
encumbered for a project is released because the electors do not	113
approve those propositions within that period, and the school	114

district later receives the controlling board's approval for the 115
project, subject to a new project scope and estimated costs under 116
section 3318.054 of the Revised Code, the district's portion shall 117
be recalculated in accordance with this section as of the date of 118
the controlling board's subsequent approval. 119

(C) At no time shall a school district's portion of the basic 120
project cost be greater than ~~ninety-five~~ seventy-five per cent of 121
the total basic project cost. 122

(D) If the controlling board approves a project under 123
sections 3318.01 to 3318.20 of the Revised Code for a school 124
district that previously received assistance under those sections 125
or section 3318.37 of the Revised Code within the twenty-year 126
period prior to the date on which the controlling board approves 127
the new project, the district's portion of the basic project cost 128
for the new project shall be the lesser of the following: 129

(1) The portion calculated under division (A) of this 130
section; 131

(2) The greater of the following: 132

(a) The required percentage of the basic project costs for 133
the new project; 134

(b) The percentage of the basic project cost paid by the 135
district for the previous project. 136

Sec. 3318.37. (A)(1) As used in this section: 137

(a) "Full maintenance amount" has the same meaning as in 138
section 3318.034 of the Revised Code. 139

(b) A "school district with an exceptional need for immediate 140
classroom facilities assistance" means a school district with an 141
exceptional need for new facilities in order to protect the health 142
and safety of all or a portion of its students. 143

(c) "Basic project cost" has the same meaning as in section 3318.01 of the Revised Code. 144
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(2) No school district that participates in the school building assistance expedited local partnership program under section 3318.36 of the Revised Code shall receive assistance under the program established under this section unless the following conditions are satisfied: 146
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(a) The district board adopted a resolution certifying its intent to participate in the school building assistance expedited local partnership program under section 3318.36 of the Revised Code prior to September 14, 2000. 151
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(b) The district was selected by the Ohio school facilities commission for participation in the school building assistance expedited local partnership program under section 3318.36 of the Revised Code in the manner prescribed by the commission under that section as it existed prior to September 14, 2000. 155
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(B)(1) There is hereby established the exceptional needs school facilities assistance program. Under the program, the Ohio school facilities commission may set aside from the moneys annually appropriated to it for classroom facilities assistance projects up to twenty-five per cent for assistance to school districts with exceptional needs for immediate classroom facilities assistance. 160
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(2)(a) After consulting with education and construction experts, the commission shall adopt guidelines for identifying school districts with an exceptional need for immediate classroom facilities assistance. 167
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(b) The guidelines shall include application forms and instructions for school districts to use in applying for assistance under this section. 171
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(3) The commission shall evaluate the classroom facilities, 174

and the need for replacement classroom facilities from the 175
applications received under this section. The commission, 176
utilizing the guidelines adopted under division (B)(2)(a) of this 177
section, shall prioritize the school districts to be assessed. 178

Notwithstanding section 3318.02 of the Revised Code, the 179
commission may conduct on-site evaluation of the school districts 180
prioritized under this section and approve and award funds until 181
such time as all funds set aside under division (B)(1) of this 182
section have been encumbered. However, the commission need not 183
conduct the evaluation of facilities if the commission determines 184
that a district's assessment conducted under section 3318.36 of 185
the Revised Code is sufficient for purposes of this section. 186

(4) Notwithstanding division (A) of section 3318.05 of the 187
Revised Code, the school district's portion of the basic project 188
cost under this section shall be ~~the "required percentage of the~~ 189
~~basic project costs," as defined in division (K) of section~~ 190
~~3318.01 of the Revised Code~~ fifty per cent. 191

(5) Except as otherwise specified in this section, any 192
project undertaken with assistance under this section shall comply 193
with all provisions of sections 3318.01 to 3318.20 of the Revised 194
Code. A school district may receive assistance under sections 195
3318.01 to 3318.20 of the Revised Code for the remainder of the 196
district's classroom facilities needs as assessed under this 197
section when the district is eligible for such assistance pursuant 198
to section 3318.02 of the Revised Code, but any classroom facility 199
constructed with assistance under this section shall not be 200
included in a district's project at that time unless the 201
commission determines the district has experienced the increased 202
enrollment specified in division (B)(1) of section 3318.04 of the 203
Revised Code. 204

(C) No school district shall receive assistance under this 205
section for a classroom facility that has been included in the 206

discrete part of the district's classroom facilities needs 207
identified and addressed in the district's project pursuant to an 208
agreement entered into under section 3318.36 of the Revised Code, 209
unless the district's entire classroom facilities plan consists of 210
only a single building designed to house grades kindergarten 211
through twelve. 212

(D)(1) When undertaking a project under this section, a 213
school district may elect to prorate its full maintenance amount 214
by setting aside for maintenance the amount calculated under 215
division (D)(2) of this section to maintain the classroom 216
facilities acquired under the project, if the district will use 217
one or more of the alternative methods authorized in sections 218
3318.051, 3318.052, and 3318.084 of the Revised Code to generate 219
the entire amount calculated under that division. If the district 220
so elects, the commission and the district shall include in the 221
agreement entered into under section 3318.08 of the Revised Code a 222
statement specifying that the district will use the amount 223
calculated under that division only to maintain the classroom 224
facilities acquired under the project under this section. 225

(2) The commission shall calculate the amount for a school 226
district to maintain the classroom facilities acquired under a 227
project under this section as follows: 228

The full maintenance amount X (the school district's portion 229
of the basic project cost under this section / the school 230
district's portion of the basic project cost for the district's 231
entire classroom facilities needs, as determined jointly by the 232
staff of the commission and the district) 233

(3) A school district may elect to prorate its full 234
maintenance amount for any number of projects under this section, 235
provided the district will use one or more of the alternative 236
methods authorized in sections 3318.051, 3318.052, and 3318.084 of 237
the Revised Code to generate the entire amount calculated under 238

division (D)(2) of this section to maintain the classroom 239
facilities acquired under each project for which it so elects. If 240
the district cannot use one or more of those alternative methods 241
to generate the entire amount calculated under that division, the 242
district shall levy the tax described in division (B) of section 243
3318.05 of the Revised Code or an extension of that tax under 244
section 3318.061 of the Revised Code in an amount necessary to 245
generate the remainder of its full maintenance amount. The 246
commission shall calculate the remainder of the district's full 247
maintenance amount as follows: 248

The full maintenance amount - the sum of the amounts 249
calculated for the district under division (D)(2) of this section 250
for each of the district's prior projects under this section 251

(4) In no case shall the sum of the amounts calculated for a 252
school district's maintenance of classroom facilities under 253
divisions (D)(2) and (3) of this section exceed the amount that 254
would have been required for maintenance if the district had 255
elected to meet its entire classroom facilities needs with a 256
project under sections 3318.01 to 3318.20 of the Revised Code and 257
had not undertaken one or more projects under this section. 258

(5) If a school district commenced a project under this 259
section prior to ~~the effective date of this amendment~~ September 260
10, 2012, but has not completed that project, and has not levied 261
the tax described in division (B) of section 3318.05 of the 262
Revised Code or an extension of that tax under section 3318.061 of 263
the Revised Code, the district may request approval from the 264
commission to prorate its full maintenance amount in accordance 265
with divisions (D)(1) to (4) of this section. If the commission 266
approves the request, the commission and the district shall amend 267
the agreement entered into under section 3318.08 of the Revised 268
Code to reflect the change. 269

(E) No district shall be prohibited from receiving assistance 270

under this section or section 3318.371 of the Revised Code because 271
it elected not to receive funding under sections 3318.01 to 272
3318.20 of the Revised Code or because the electors of the 273
district failed to approve the required levy for the district to 274
receive funding under sections 3318.01 to 3318.20 of the Revised 275
Code. 276

Section 2. That existing sections 319.302, 3318.032, and 277
3318.37 of the Revised Code are hereby repealed. 278

Section 3. Section 3318.37 of the Revised Code is presented 279
in this act as a composite of the section as amended by both Am. 280
Sub. H.B. 487 and Am. Sub. S.B. 316 of the 129th General Assembly. 281
The General Assembly, applying the principle stated in division 282
(B) of section 1.52 of the Revised Code that amendments are to be 283
harmonized if reasonably capable of simultaneous operation, finds 284
that the composite is the resulting version of the section in 285
effect prior to the effective date of the section as presented in 286
this act. 287