



Ohio Legislative Service Commission

Bill Analysis

Mackenzie Damon

S.B. 227

128th General Assembly
(As Introduced)

Sen. Turner

BILL SUMMARY

- Authorizes the abatement of unpaid property taxes, penalties, and interest owed on property that is owned by a municipal corporation and that would have qualified for property tax exemption if not for a failure to comply with certain tax exemption procedures.

CONTENT AND OPERATION

Overview

The bill provides for the abatement of unpaid property taxes, penalties, and interest on property that is owned by a municipal corporation and that would have been tax exempt if not for a failure to comply with the procedures for obtaining tax-exempt status. The current owner of the property may file an application with the Tax Commissioner requesting that the property be placed on the tax-exempt list and that all unpaid taxes, penalties, and interest be abated. Similarly, a prior owner of the property may file an application requesting exemption from prior taxes. The application must be filed within 12 months after the effective date of the bill.

Under current law, the Tax Commissioner may abate only up to three years' worth of unpaid taxes, interest, and penalties for publicly owned property.¹

Procedures for receiving tax abatement

Certificate from county treasurer

Before filing an application for tax abatement, the property owner must request a certificate from the county treasurer stating that all taxes, penalties, and interest owed

¹ R.C. 5713.08(C) and 5713.081.

on the property before the property was used for a tax-exempt public purpose have been paid in full. This certificate must accompany the application filed with the Tax Commissioner.

Application filed with the Tax Commissioner

The application form must include the name of the county in which the property is located; a legal description of the property; its taxable value; the amount of unpaid taxes, penalties, and interest; the date of acquisition of the property; the use of the property during any time in which unpaid taxes accrued; and any other information required by the Tax Commissioner.

Tax Commissioner determination

Upon receipt of an application, the Tax Commissioner must determine whether the applicant meets all of the qualifications specified in the bill and, if so, order that the property be placed on the tax-exempt list and that all unpaid taxes, penalties, and interest from each year the property meets the qualifications be abated. If the Tax Commissioner finds that the property does not meet the qualifications, or is otherwise being used for a purpose that would foreclose its right to exemption, the Tax Commissioner issues an order denying the application. For any year that the applicant is not entitled to tax abatement, the Tax Commissioner must order the county treasurer to collect any unpaid taxes, penalties, and interest on that property for those years.

In addition, the Tax Commissioner may consider whether property qualifies for tax abatement if that property is already subject to an application for exemption pending on the effective date of the bill without requiring the property owner to file another application. The Tax Commissioner may also allow for abatement of unpaid taxes on any qualified property that is subject to an application for exemption within 12 months after the effective date even if the application does not specifically request tax abatement.

HISTORY

| ACTION | DATE |
|---------------|-------------|
| Introduced | 02-03-10 |

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