



H.B. 343

123rd General Assembly
(As Introduced)

Rep. Logan

BILL SUMMARY

- Grants a property tax reduction for residential and agricultural land that is "vacant" (undeveloped).
- The reduction generally prevents taxes on any parcel of such land from increasing at a faster rate than the taxes on all residential and agricultural real property in the same county.
- Taxing districts are reimbursed for the tax reduction from the General Revenue Fund.
- The reduction applies to taxes charged for 2000 and thereafter (payable in 2001 and thereafter).

CONTENT AND OPERATION

Property tax reduction for vacant residential, agricultural land

(secs. 319.303 and 321.24; cross references in secs. 319.30, 319.302, and 5715.30)

The bill grants a property tax reduction for "vacant" residential and agricultural land to prevent taxes on such land from increasing at a faster rate than the taxes on all residential and agricultural real property in the county. For the purposes of the bill, vacant residential land and vacant agricultural land is land that is classified as such under the Tax Commissioner's administrative rules. Currently, those rules identify two subclasses of land that correspond with those covered by the bill--this land is characterized by the absence of any buildings, structures, or other improvements. (See Ohio Adm. Code sec. 5705-3-06(C).)

The reduction is to be computed annually, by county auditors, for each parcel of vacant residential or agricultural land. The reduction is computed by

subtracting the percentage growth in taxes on all residential and agricultural real property from the percentage growth in taxes on the vacant parcel, and reducing taxes on the parcel by the difference (provided the difference exceeds 0%). For example, if taxes on all residential and agricultural real property in the county increased by 5%, and taxes on the vacant parcel increased by 9%, the taxes levied on the vacant parcel for the current year would be reduced by 4%.

The reduction deals with any change in the tax rate between the preceding year and the current year by computing the tax increase on the basis of the tax rate for the preceding year.

State reimbursement; effect on subdivision debt

(sec. 321.24(F))

The tax reduction reduces the taxes received by all taxing districts from vacant residential and agricultural land. Therefore, the bill reimburses taxing districts for the reduced revenue twice each year, in the same manner the state reimburses taxing districts for the existing 10% tax rollback. The reimbursement is to be paid from the General Revenue Fund.

The bill states that reduction shall not affect the amount of debt a taxing district may incur (which, generally, is a function of the district's taxable property value); but, the reduction would be scaled back if a taxing district should ever fall short of satisfying its current debt charges out of property taxes. (This safeguard applies as well to the existing 10% tax rollback.)

Effective date

(Section 3)

The tax reduction applies to taxes charged for 2000 and thereafter (payable in 2001 and thereafter).

HISTORY

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