



Andre Imbrogno

Bill Analysis
Legislative Service Commission

H.B. 437

125th General Assembly
(As Introduced)

Reps. C. Evans, Cates, McGregor, Collier, Wolpert, Hartnett, DeWine, Distel, G. Smith, Kearns, Seitz, Schmidt, Allen, Hughes, Combs, DeGeeter, D. Evans, Carano, Key, Hagan, Martin, Schaffer, S. Patton, Aslanides

BILL SUMMARY

- Authorizes boards of county commissioners to exempt from taxation residences belonging to members of the National Guard and reserve components of the United States Armed Forces called to active duty service under Operation Iraqi Freedom or Operation Enduring Freedom.
- Establishes procedures for obtaining the exemption authorized by the bill.

CONTENT AND OPERATION

Counties authorized to exempt residences of military personnel from taxation

The bill authorizes, but does not require, boards of county commissioners to adopt resolutions exempting from taxation the homesteads of members of the National Guard and reserve components of the United States Armed Forces who have been called to active duty under Operation Iraqi Freedom or Operation Enduring Freedom (Afghanistan).¹ A board may adopt such a resolution if it determines that the economic sacrifices of the owners of those "qualified homesteads" necessitate granting an exemption from real property taxation. The exemption authorized by the bill is available for residences (including manufactured and mobile homes) that are owned by members of the National Guard or reserve components of the Armed Forces who are serving under either of

¹ The bill defines "active duty" for this context, as active duty pursuant to and Executive Order of the President of the United States, an act of the Congress of the United States, an order of the Governor, as its commander in chief, to the Ohio National Guard to perform any training or duty under certain circumstances, or an order of the Governor to the Ohio organized militia to aid civil authorities in (a) executing the laws of this state, (b) suppressing insurrection, (c) repelling invasion, (d) acting in the event of a disaster within Ohio, or (e) promoting the health, safety, and welfare of Ohio citizens.

those military operations during any portion of the tax year. The exemption extends to all taxes levied upon the exempted property, including taxes levied by a county, municipal corporation, school district, or other political subdivision. (R.C. 305.51(A) and (B).)

Procedures for obtaining an exemption from taxation

Under the bill, an owner of a residence that may be exempted from taxation pursuant to a board of county commissioners' resolution obtains the exemption by filing, or having a spouse or authorized agent file, an application for exemption with the county auditor of the county in which the residence is located. The bill authorizes county auditors to establish the specific form of the application and specific procedures for filing it; however, the bill requires that every application be accompanied by documentation of the owner's active duty military status under Operation Iraqi Freedom or Operation Enduring Freedom. An application for exemption for any tax year continues in effect for each subsequent tax year in which the owner's residence satisfies the requirements for exemption. Accordingly, an owner is required to file only one application for all tax years in which the owner's residence qualifies for exemption. At the conclusion of an owner's active duty military service as described above, the owner must notify the county auditor that the owner's residence no longer qualifies for exemption. (R.C. 305.51(C)(1).)

An owner is permitted to file an application for exemption for any prior tax year in which the owner's residence would have qualified for exemption. An application seeking exemption for a prior tax year or years must be accompanied by documentation of the owner's active duty military status under Operation Iraqi Freedom or Operation Enduring Freedom during the tax year or years for which exemption is sought. If the county auditor determines that the owner's residence qualifies for exemption for a prior tax year or years, any taxes that have been paid for that year or those years are to be treated by the auditor as an overpayment of taxes and refunded to the owner in the same manner as any other overpayment of real property or manufactured home taxes. (R.C. 305.51(C)(2) and 5715.22--not in the bill.)

HISTORY

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Introduced	03-23-04	p. 1720

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