



Andre Imbrogno

Bill Analysis
Legislative Service Commission

Am. Sub. H.B. 70
126th General Assembly
(As Passed by the House)

Reps. C. Evans, J. McGregor, Aslanides, D. Evans, Faber, Reidelbach, T. Patton, Ujvagi, Perry, Willamowski, Combs, Carano, Distel, Law, Taylor, Kearns, Widener, Schaffer, Webster, Strahorn, Collier, S. Patton, Harwood, Uecker, G. Smith, DeGeeter, Allen, Hagan, Martin, Kilbane, Gibbs, Driehaus, Gilb, Hartnett, Latta, Seitz, Skindell, Barrett, Beatty, Blessing, Book, Brown, Buehrer, Calvert, Cassell, Chandler, Coley, Core, DeBose, DeWine, Domenick, Fende, Flowers, Healy, Hood, Hughes, Key, R. McGregor, Mitchell, Oelslager, Otterman, Peterson, Raussen, Reinhard, Sayre, Schlichter, Schneider, Setzer, Sykes, Trakas, Wagner, Wagoner, Walcher, Williams, Wolpert, Woodard, Yuko

BILL SUMMARY

- Authorizes boards of county commissioners to exempt from taxation residences belonging to members of the United States Armed Forces who are deployed outside Ohio during at least five consecutive months of the tax year and whose nonmilitary compensation during their period of deployment is reduced by more than 25%.
- Authorizes a board of education to object to an exemption granted pursuant to the bill and specifies that, if such an objection is timely and properly made, residences in the board's district owned by qualifying military personnel are exempt from taxes levied by all taxing units except those levied by the objecting board of education.
- Establishes procedures for obtaining the exemption authorized by the bill.
- Exempts estates of members of the United States Armed Forces who die while serving in a combat zone or as a result of serving in a combat zone from certain fees associated with administering the estates.

CONTENT AND OPERATION

Counties authorized to exempt residences of military personnel from taxation

(R.C. 305.51(A) and (B))

The bill authorizes, but does not require, a board of county commissioners to adopt a resolution exempting from real property taxation, residences, including manufactured and mobile homes, owned at any time during their deployment by members of the National Guard or a reserve component of the United States Armed Forces who satisfy both of the following criteria:

- (1) The owner is deployed outside Ohio pursuant to a congressional declaration of war or an executive order of the President during at least five consecutive months of the tax year; and
- (2) The compensation received by the owner from the owner's nonmilitary employer during the period of deployment is reduced by more than 25%.

A board may adopt such a resolution if it determines that the economic sacrifices of the service members described above necessitate granting an exemption. A board of county commissioners that adopts the resolution is required, within 15 days after its adoption, to certify a copy of the resolution to the board of education of each city, local, and exempted village school district the territorial boundaries of which overlap those of the county.

Boards of education permitted to object to exemption

(R.C. 305.51(B) and (E))

An exemption authorized by a board of county commissioners applies to taxes levied by all taxing units--except a city, local, or exempted village school district located within the territorial boundaries of the county that objects to the exemption. A board of education objects to an exemption by adopting a resolution that expresses its objection to the exemption's application to taxes levied by the board. The board of education must certify a copy of its resolution within 30 days after receiving a copy of the board of county commissioners resolution creating the exemption. If a board of education adopts and certifies a resolution in a proper and timely manner, then the exemption does not apply to taxes levied by the board.

Procedures for obtaining an exemption from taxation

(R.C. 305.51(C) and 5715.22 (not in the bill))

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 by 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 deployment outside Ohio pursuant to a congressional declaration of war or executive order of the President. The documentation must be verified by the County Veterans Service Office of the county in which the owner's residence is located. An owner (or the owner's spouse or authorized agent) must file a separate application with the county auditor for each year for which the owner's residence qualifies for exemption.

An owner of a residence that is located in a county that has adopted a resolution exempting military personnel residences from taxation is permitted to file an application for exemption for tax year 2004 and any tax year thereafter if the owner's residence would have qualified for exemption during those tax years. An owner may file an application for tax year 2004 or any tax year thereafter in which the owner's residence qualifies for exemption regardless of the year in which the county in which the residence is located adopted its resolution exempting military personnel residences from taxation. An application seeking exemption for a prior tax year or years must be accompanied by documentation of the owner's deployment outside Ohio pursuant to a congressional declaration of war or executive order of the President during the tax year or years for which exemption is sought. The documentation must be verified by the County Veterans Service Office of the county in which the owner's residence is located. 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.

Applicant required to produce income documentation upon county auditor's request

(R.C. 305.51(D))

The submission of an application for exemption constitutes the applicant's consent to the county auditor requesting and reviewing documentation pertaining to the applicant's income and compensation for purposes of determining whether

the person is in fact eligible for the exemption. If the auditor requests this documentation and it is not provided within 60 days after the request, the auditor is permitted to disapprove the application or terminate an exemption previously granted to the person. Documentation furnished to the auditor may be used solely for the purpose of determining eligibility for the exemption. Any documentation provided by an individual must be returned to that person. Any documentation provided to the auditor is not a public record subject to public disclosure under the Public Records Act (R.C. 149.43).

Estates of military personnel killed in a combat zone exempt from administration fees

(R.C. 2101.16 and 2101.164)

Under continuing law, probate judges are required to collect certain fees in connection with their administration of decedents' estates. The bill prohibits probate judges from charging or collecting these fees from the estates of members of the United States Armed Forces who die while in active service in a combat zone¹ or who die as a result of wounds, disease, or injury incurred while serving in a combat zone. Specifically, the bill exempts these estates from the following fees:

- (1) Any fee for, or associated with, the filing of the decedent's will for probate;
- (2) Any fee for any service rendered by the probate court that is associated with the administration of the decedent's estate;
- (3) Any fee for relieving the decedent's estate from administration or for a summary release from administration.

The fee exemption applies to the estates of decedents who die on or after the bill's effective date.

¹ The bill defines a "combat zone" as an area that the President of the United States designates by executive order as an area in which the United States Armed Forces are engaging, or have engaged, in combat (R.C. 2101.164(A)).

HISTORY

ACTION	DATE
Introduced	02-17-05
Reported, H. Ways & Means	10-19-05
Passed House (95-0)	01-18-06

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