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Legislative Budget
Office

S.B. 224
133rd General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Sen. Thomas

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SUMMARY

- Requires the Department of Education, for each of FYs 2020 and 2021, to make an additional school funding payment to certain school districts that is equal to the amount by which a district's foundation funding and transportation funding was reduced due to the cap that restricted an increase in the district's aggregate funding for FY 2019.
- Specifies that a school district is eligible to receive this payment, if the district was (1) subject to the cap for FY 2019, (2) received a tangible personal property (TPP) tax reimbursement payment for fixed-sum levies for TY 2017, (3) had a business valuation percentage of at least twice the statewide average for FY 2018, and (4) had an effective Class 2 millage rate of at least 1.5 times the state average for FY 2018.

DETAILED ANALYSIS

Additional payment for certain capped districts

The bill requires the Department of Education, for each of FYs 2020 and 2021, to make an additional school funding payment to each "eligible school district" that is equal to the amount by which the district's foundation funding and transportation funding was reduced due to the cap¹ that restricted an increase in the district's aggregate funding for FY 2019.²

For purposes of this provision, an "eligible school district" is a city, local, or exempted village school district that satisfies all of the following criteria:

¹ Section 265.220(B)(1) of H.B. 49 of the 132nd General Assembly, not in the bill.

² Section 265.220(C)(2) of H.B. 166 of the 133rd General Assembly; conforming change in Section 265.210 of H.B. 166 of the 133rd General Assembly.

1. The district was subject to the cap for FY 2019.³
2. The district received a tangible personal property (TPP) tax reimbursement payment for fixed-sum levies for TY 2017.⁴
3. For FY 2018, the district had a “business valuation” that was at least twice the average of the business valuations of all districts statewide for FY 2019, as determined by the Department using information certified to the Department by the Tax Commissioner. For purposes of this calculation, a district’s “business valuation” is equal to the percentage of the district’s total taxable value that is represented by the sum of the taxable value of the district’s real property classified as nonresidential/agricultural and the district’s public utility tangible personal property.⁵
4. For FY 2018, the district had an effective Class 2 (nonresidential/agricultural) millage rate of at least 1.5 times the statewide average for FY 2019, as determined by the Department using information certified to the Department by the Tax Commissioner.⁶

HISTORY

Action	Date
Introduced	10-16-19

S0224-I-133/ar

³ Section 265.220(B)(1) of H.B. 49 of the 132nd General Assembly, not in the bill.

⁴ R.C. 5709.92(D)(1)(b), not in the bill.

⁵ Section 265.220(C)(1)(a) of H.B. 166 of the 133rd General Assembly.

⁶ Section 265.220(C)(1)(b) of H.B. 166 of the 133rd General Assembly.