

Other Property Tax Related Provisions

ORC 709.192, as enacted by Senate Bill 5, authorizes a township and a municipality to include, in any annexation agreement they may create under that section, a provision that reallocates the minimum mandated levies or inside millage amounts established under ORC 5705.31. This reallocation in an annexation agreement applies to areas annexed into a municipal corporation after the effective date of the Act (October 26, 2001).

In order for the negotiated reallocation of inside millage to be effective, it must be included by the township and municipality, along with the rest of their annexation agreement, with the annual tax budgets submitted by each to the county auditor. If the agreement with the reallocation is indeed submitted to the auditor, the auditor must allocate the inside millage, to the extent possible, in accordance with the terms of the agreement.

The Act also contains an additional special provision related to the allocation of inside millage in cases where the portion of township land annexed into a municipal corporation remains part of the township. This provision applies only in the annexed territory, only in those tax years in which the annexed territory remains part of the township, and only in annexations that are granted on or after the effective date of the Act (October 26, 2001).

In these situations, the minimum levy pertaining to the annexed territory is an amount that, when added to the minimum levies of the other overlapping subdivisions, equals 10 mills or, if the amount would be lower than ten mills, an amount equal to the minimum levy of the township or the municipal corporation. Presumably, the intent of this provision of the Act is that the greater of the minimum levy of the township or the municipal corporation would be chosen.

Once the minimum levy amount for the annexed territory is determined, it must then be divided between the township and the municipal corporation. The amount to go to each entity may be determined by a voluntary agreement between them. If no agreement can be reached and the amount to go to each entity cannot otherwise be determined, the available inside millage is to be split evenly between the two entities, with each receiving 50%.