

As Introduced

134th General Assembly

Regular Session

2021-2022

H. B. No. 71

Representatives Plummer, Hicks-Hudson

**Cosponsors: Representatives Brown, Stephens, Fraizer, Jarrells, Russo, Seitz,
Sheehy, Miller, A.**

A BILL

To amend section 5709.121 of the Revised Code to 1
exempt from property taxation qualifying housing 2
for individuals diagnosed with mental illness or 3
substance use disorder and to declare an 4
emergency. 5

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 5709.121 of the Revised Code be 6
amended to read as follows: 7

Sec. 5709.121. (A) Real property and tangible personal 8
property belonging to a charitable or educational institution or 9
to the state or a political subdivision, shall be considered as 10
used exclusively for charitable or public purposes by such 11
institution, the state, or political subdivision, if it meets 12
one of the following requirements: 13

(1) It is used by such institution, the state, or 14
political subdivision, or by one or more other such 15
institutions, the state, or political subdivisions under a 16
lease, sublease, or other contractual arrangement: 17

(a) As a community or area center in which presentations 18
in music, dramatics, the arts, and related fields are made in 19
order to foster public interest and education therein; 20

(b) As a children's, science, history, or natural history 21
museum that is open to the general public; 22

(c) For other charitable, educational, or public purposes. 23

(2) It is made available under the direction or control of 24
such institution, the state, or political subdivision for use in 25
furtherance of or incidental to its charitable, educational, or 26
public purposes and not with the view to profit. 27

(3) It is used by an organization described in division 28
(D) of section 5709.12 of the Revised Code. If the organization 29
is a corporation that receives a grant under the Thomas Alva 30
Edison grant program authorized by division (C) of section 31
122.33 of the Revised Code at any time during the tax year, 32
"used," for the purposes of this division, includes holding 33
property for lease or resale to others. 34

(B) (1) Property described in division (A) (1) (a) or (b) of 35
this section shall continue to be considered as used exclusively 36
for charitable or public purposes even if the property is 37
conveyed through one conveyance or a series of conveyances to an 38
entity that is not a charitable or educational institution and 39
is not the state or a political subdivision, provided that all 40
of the following conditions apply with respect to that property: 41

(a) The property was listed as exempt on the county 42
auditor's tax list and duplicate for the county in which it is 43
located for the tax year immediately preceding the year in which 44
the property is conveyed through one conveyance or a series of 45
conveyances; 46

(b) The property is conveyed through one conveyance or a series of conveyances to an entity that does any of the following:

(i) Leases at least forty-five per cent of the property, through one lease or a series of leases, to the entity that owned or occupied the property for the tax year immediately preceding the year in which the property is conveyed or to an affiliate of that entity;

(ii) Contracts, directly or indirectly to have renovations performed as described in division (B) (1) (d) of this section and is at least partially owned by a nonprofit organization described in section 501(c) (3) of the Internal Revenue Code that is exempt from taxation under section 501(a) of that code.

(c) The property includes improvements that are at least fifty years old;

(d) The property is being renovated in connection with a claim for historic preservation tax credits available under federal law;

(e) All or a portion of the property continues to be used for the purposes described in division (A) (1) (a) or (b) of this section after its conveyance; and

(f) The property is certified by the United States secretary of the interior as a "certified historic structure" or certified as part of a certified historic structure.

(2) Notwithstanding section 5715.27 of the Revised Code, an application for exemption from taxation of property described in division (B) (1) of this section may be filed by either the owner of the property or an occupant.

(C) For purposes of this section, an institution that 75
meets all of the following requirements is conclusively presumed 76
to be a charitable institution: 77

(1) The institution is a nonprofit corporation or 78
association, no part of the net earnings of which inures to the 79
benefit of any private shareholder or individual; 80

(2) The institution is exempt from federal income taxation 81
under section 501(a) of the Internal Revenue Code; 82

(3) The majority of the institution's board of directors 83
are appointed by the mayor or legislative authority of a 84
municipal corporation or a board of county commissioners, or a 85
combination thereof; 86

(4) The primary purpose of the institution is to assist in 87
the development and revitalization of downtown urban areas. 88

(D) For purposes of division (A) (1) (b) of this section, 89
the status of a museum as open to the general public shall be 90
conclusive if the museum is accredited by the American alliance 91
of museums or a successor organization. 92

(E) (1) Qualifying real property owned by an institution 93
that meets all of the following requirements shall be considered 94
as used exclusively for charitable purposes, and the institution 95
shall be considered a charitable institution for purposes of 96
this section and section 5709.12 of the Revised Code: 97

(a) The institution is an organization described under 98
section 501(c) (3) of the Internal Revenue Code and exempt from 99
federal income taxation under section 501(a) of the Internal 100
Revenue Code. 101

(b) The institution's primary purpose is to acquire, 102

develop, lease, or otherwise provide suitable housing to 103
individuals with developmental disabilities. 104

(c) The institution receives at least a portion of its 105
funding from one or more county boards of developmental 106
disabilities to assist in the institution's primary purpose 107
described in division (E) (1) (b) of this section. 108

(2) As used in division (E) of this section, "qualifying 109
real property" means real property that is used primarily in one 110
of the following manners: 111

(a) The property is used by the institution described in 112
division (E) (1) of this section for the purpose described in 113
division (E) (1) (b) of this section. 114

(b) The property is leased or otherwise provided by the 115
institution described in division (E) (1) of this section to 116
individuals with developmental disabilities and used by those 117
individuals as housing. 118

(c) The property is leased or otherwise provided by the 119
institution described in division (E) (1) of this section to 120
another charitable institution, and that charitable institution 121
uses the property exclusively for charitable purposes. 122

(F) (1) Qualifying real property owned by an institution 123
that meets all of the following requirements shall be considered 124
as used exclusively for charitable purposes, and the institution 125
shall be considered a charitable institution for purposes of 126
this section and section 5709.12 of the Revised Code: 127

(a) The institution is either (i) an organization 128
described under section 501(c) (3) of the Internal Revenue Code 129
and exempt from federal income taxation under section 501(a) of 130
the Internal Revenue Code that has as a primary purpose to 131

acquire, develop, lease, or otherwise provide suitable 132
supportive housing to individuals diagnosed with mental illness 133
or substance use disorder and to families residing with such 134
individuals or (ii) a limited liability company or limited 135
partnership whose controlling or managing member or partner 136
either is an organization described in division (F)(1)(a)(i) of 137
this section or is wholly owned by one or more such 138
organizations. 139

(b) One or more of the tax-exempt organizations identified 140
in division (F)(1)(a) of this section receives at least a 141
portion of its funding to assist in the organization's primary 142
purpose described in division (F)(1)(a)(i) of this section from 143
the department of mental health and addiction services; one or 144
more county boards of alcohol, drug addiction, and mental health 145
services; or a local continuum of care program governed by 42 146
U.S.C. 11381, et seq. and 24 C.F.R. part 578. 147

(2) As used in division (F) of this section, "qualifying 148
real property" means real property that is used primarily in one 149
of the following manners: 150

(a) The property is used by the institution described in 151
division (F)(1) of this section for the purpose described in 152
division (F)(1)(a)(i) of this section. 153

(b) The institution (i) leases or otherwise provides the 154
property to individuals diagnosed with mental illness or 155
substance use disorder and to the families residing with such 156
individuals and (ii) makes supportive services available to such 157
individuals and families. 158

(c) The property is leased or otherwise provided by that 159
institution to another charitable institution, and that 160

charitable institution uses the property exclusively for 161
charitable purposes. 162

Section 2. That existing section 5709.121 of the Revised 163
Code is hereby repealed. 164

Section 3. The amendment by this act of section 5709.121 165
of the Revised Code applies to tax year 2021 and every tax year 166
thereafter, as well as to any tax year at issue in an 167
application for exemption from taxation or any appeal from such 168
an application pending before the Tax Commissioner, the Board of 169
Tax Appeals, any court of common pleas or court of appeals, or 170
the Supreme Court on the effective date of that amendment and to 171
the property that is the subject of any such application or 172
appeal. That amendment is remedial in nature and the purpose 173
thereof is to clarify the intent of the General Assembly that 174
real property described in division (F) of section 5709.121 of 175
the Revised Code, as amended by this act, is exempt from 176
taxation. 177

Section 4. This act is hereby declared to be an emergency 178
measure necessary for the immediate preservation of the public 179
peace, health, and safety. The reason for such necessity is to 180
ensure that supportive housing for individuals diagnosed with 181
mental illness or substance use disorder is not unnecessarily 182
harmed. Therefore, this act shall go into immediate effect. 183