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**Senate Ways and Means Committee
Senate Bill 140 — Sponsor Testimony
Wednesday May 11, 2021**

Chairman Blessing, Vice Chair Roegner, Ranking Member Williams, and members of the Senate Ways and Means Committee, thank you for the opportunity to present sponsor testimony on Senate Bill 140.

Originally proposed as an amendment in this committee during last general assembly, this legislation removes the trap door for some schools that did not file a redundant annual statement of non-profit status with their county.

Quite simply, all this bill does is strike out the language that was added in the previous operating budget (House Bill 166). In doing so, we put nonprofit community schools back on the same footing as all other nonprofit organizations.

After the passage of House Bill 166, community schools seeking tax exempt status were ordered to submit an annual statement to their local tax commissioner the school's property was subject to tax exempt status and qualified for the tax exemption.

However, if a school were to miss filing this statement, they must pay property taxes and penalties on real property that all other tax exempt non-profits don't have to pay. It is unconscionable for us to allow this to continue.

Additionally, no corporation or nonprofit organization will file this annual statement without first checking with their accountants or legal counsel to ensure that they have done everything necessary with the statement. With this extra step, community schools could pay upwards of \$1,000 per year, or more, to file this notice.

Reverting back to pre-budget language, these nonprofit community schools will only need to file tax exemption applications when they move or the property status changes during a re-assessment, which occurs about every 6 years.

Before concluding, I must also note that my staff has worked with the Department of Taxation on this legislation. The department supports the bill.

Thank you once again, Chairman Blessing and the members of the committee, for the opportunity to present this issue to you today. I will be glad to answer any questions at this time.