

**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.**

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**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