

As Introduced

**134th General Assembly
Regular Session
2021-2022**

S. B. No. 57

Senators Hackett, Antonio

Cosponsors: Senators Blessing, Craig, Brenner, Fedor, Yuko



A BILL

To amend section 5709.121 of the Revised Code to
exempt from property taxation qualifying housing
for individuals diagnosed with mental illness or
substance use disorder.

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

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

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

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

(a) As a community or area center in which presentations
in music, dramatics, the arts, and related fields are made in

order to foster public interest and education therein; 19

(b) As a children's, science, history, or natural history 20
museum that is open to the general public; 21

(c) For other charitable, educational, or public purposes. 22

(2) It is made available under the direction or control of 23
such institution, the state, or political subdivision for use in 24
furtherance of or incidental to its charitable, educational, or 25
public purposes and not with the view to profit. 26

(3) It is used by an organization described in division 27
(D) of section 5709.12 of the Revised Code. If the organization 28
is a corporation that receives a grant under the Thomas Alva 29
Edison grant program authorized by division (C) of section 30
122.33 of the Revised Code at any time during the tax year, 31
"used," for the purposes of this division, includes holding 32
property for lease or resale to others. 33

(B) (1) Property described in division (A) (1) (a) or (b) of 34
this section shall continue to be considered as used exclusively 35
for charitable or public purposes even if the property is 36
conveyed through one conveyance or a series of conveyances to an 37
entity that is not a charitable or educational institution and 38
is not the state or a political subdivision, provided that all 39
of the following conditions apply with respect to that property: 40

(a) The property was listed as exempt on the county 41
auditor's tax list and duplicate for the county in which it is 42
located for the tax year immediately preceding the year in which 43
the property is conveyed through one conveyance or a series of 44
conveyances; 45

(b) The property is conveyed through one conveyance or a 46
series of conveyances to an entity that does any of the 47

following:	48
(i) Leases at least forty-five per cent of the property,	49
through one lease or a series of leases, to the entity that	50
owned or occupied the property for the tax year immediately	51
preceding the year in which the property is conveyed or to an	52
affiliate of that entity;	53
(ii) Contracts, directly or indirectly to have renovations	54
performed as described in division (B) (1) (d) of this section and	55
is at least partially owned by a nonprofit organization	56
described in section 501(c) (3) of the Internal Revenue Code that	57
is exempt from taxation under section 501(a) of that code.	58
(c) The property includes improvements that are at least	59
fifty years old;	60
(d) The property is being renovated in connection with a	61
claim for historic preservation tax credits available under	62
federal law;	63
(e) All or a portion of the property continues to be used	64
for the purposes described in division (A) (1) (a) or (b) of this	65
section after its conveyance; and	66
(f) The property is certified by the United States	67
secretary of the interior as a "certified historic structure" or	68
certified as part of a certified historic structure.	69
(2) Notwithstanding section 5715.27 of the Revised Code,	70
an application for exemption from taxation of property described	71
in division (B) (1) of this section may be filed by either the	72
owner of the property or an occupant.	73
(C) For purposes of this section, an institution that	74
meets all of the following requirements is conclusively presumed	75

to be a charitable institution:	76
(1) The institution is a nonprofit corporation or	77
association, no part of the net earnings of which inures to the	78
benefit of any private shareholder or individual;	79
(2) The institution is exempt from federal income taxation	80
under section 501(a) of the Internal Revenue Code;	81
(3) The majority of the institution's board of directors	82
are appointed by the mayor or legislative authority of a	83
municipal corporation or a board of county commissioners, or a	84
combination thereof;	85
(4) The primary purpose of the institution is to assist in	86
the development and revitalization of downtown urban areas.	87
(D) For purposes of division (A) (1) (b) of this section,	88
the status of a museum as open to the general public shall be	89
conclusive if the museum is accredited by the American alliance	90
of museums or a successor organization.	91
(E) (1) Qualifying real property owned by an institution	92
that meets all of the following requirements shall be considered	93
as used exclusively for charitable purposes, and the institution	94
shall be considered a charitable institution for purposes of	95
this section and section 5709.12 of the Revised Code:	96
(a) The institution is an organization described under	97
section 501(c) (3) of the Internal Revenue Code and exempt from	98
federal income taxation under section 501(a) of the Internal	99
Revenue Code.	100
(b) The institution's primary purpose is to acquire,	101
develop, lease, or otherwise provide suitable housing to	102
individuals with developmental disabilities.	103

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

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

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

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

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

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

(a) The institution is either (i) an organization described under section 501(c) (3) of the Internal Revenue Code and exempt from federal income taxation under section 501(a) of the Internal Revenue Code that has as a primary purpose to acquire, develop, lease, or otherwise provide suitable supportive housing to individuals diagnosed with mental illness

or substance use disorder and to families residing with such 133
individuals or (ii) a limited liability company or limited 134
partnership whose controlling or managing member or partner 135
either is an organization described in division (F) (1) (a) (i) of 136
this section or is wholly owned by one or more such 137
organizations. 138

(b) One or more of the tax-exempt organizations identified 139
in division (F) (1) (a) of this section receives at least a 140
portion of its funding to assist in the organization's primary 141
purpose described in division (F) (1) (a) (i) of this section from 142
the department of mental health and addiction services; one or 143
more county boards of alcohol, drug addiction, and mental health 144
services; or a local continuum of care program governed by 42 145
U.S.C. 11381, et seq. and 24 C.F.R. part 578. 146

(2) As used in division (F) of this section, "qualifying 147
real property" means real property that is used primarily in one 148
of the following manners: 149

(a) The property is used by the institution described in 150
division (F) (1) of this section for the purpose described in 151
division (F) (1) (a) (i) of this section. 152

(b) The institution (i) leases or otherwise provides the 153
property to individuals diagnosed with mental illness or 154
substance use disorder and to the families residing with such 155
individuals and (ii) makes supportive services available to such 156
individuals and families. 157

(c) The property is leased or otherwise provided by that 158
institution to another charitable institution, and that 159
charitable institution uses the property exclusively for 160
charitable purposes. 161

Section 2. That existing section 5709.121 of the Revised Code is hereby repealed. 162
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Section 3. The amendment by this act of section 5709.121 of the Revised Code applies to tax year 2021 and every tax year thereafter, as well as to any tax year at issue in an application for exemption from taxation or any appeal from such an application pending before the Tax Commissioner, the Board of Tax Appeals, any court of common pleas or court of appeals, or the Supreme Court on the effective date of that amendment and to the property that is the subject of any such application or appeal. That amendment is remedial in nature and the purpose thereof is to clarify the intent of the General Assembly that real property described in division (F) of section 5709.121 of the Revised Code, as amended by this act, is exempt from taxation. 164
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