

**As Reported by the Senate Ways and Means Committee**

**134th General Assembly**

**Regular Session**

**2021-2022**

**S. B. No. 57**

**Senators Hackett, Antonio**

**Cosponsors: Senators Blessing, Craig, Brenner, Fedor, Yuko, Hottinger, Dolan,  
Williams**

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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. 4

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

**Section 1.** That section 5709.121 of the Revised Code be 5  
amended to read as follows: 6

**Sec. 5709.121.** (A) Real property and tangible personal 7  
property belonging to a charitable or educational institution or 8  
to the state or a political subdivision, shall be considered as 9  
used exclusively for charitable or public purposes by such 10  
institution, the state, or political subdivision, if it meets 11  
one of the following requirements: 12

(1) It is used by such institution, the state, or 13  
political subdivision, or by one or more other such 14  
institutions, the state, or political subdivisions under a 15  
lease, sublease, or other contractual arrangement: 16

(a) As a community or area center in which presentations 17

in music, dramatics, the arts, and related fields are made in 18  
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	104
funding from one or more county boards of developmental	105
disabilities to assist in the institution's primary purpose	106
described in division (E) (1) (b) of this section.	107
(2) As used in division (E) of this section, "qualifying	108
real property" means real property that is used primarily in one	109
of the following manners:	110
(a) The property is used by the institution described in	111
division (E) (1) of this section for the purpose described in	112
division (E) (1) (b) of this section.	113
(b) The property is leased or otherwise provided by the	114
institution described in division (E) (1) of this section to	115
individuals with developmental disabilities and used by those	116
individuals as housing.	117
(c) The property is leased or otherwise provided by the	118
institution described in division (E) (1) of this section to	119
another charitable institution, and that charitable institution	120
uses the property exclusively for charitable purposes.	121
<u>(F) (1) Qualifying real property owned by an institution</u>	122
<u>that meets all of the following requirements shall be considered</u>	123
<u>as used exclusively for charitable purposes, and the institution</u>	124
<u>shall be considered a charitable institution for purposes of</u>	125
<u>this section and section 5709.12 of the Revised Code:</u>	126
<u>(a) The institution is either (i) an organization</u>	127
<u>described under section 501(c) (3) of the Internal Revenue Code</u>	128
<u>and exempt from federal income taxation under section 501(a) of</u>	129
<u>the Internal Revenue Code that has as a primary purpose to</u>	130
<u>acquire, develop, lease, or otherwise provide suitable</u>	131

supportive housing to individuals diagnosed with mental illness 132  
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

<u>charitable purposes.</u>	161
<b>Section 2.</b> That existing section 5709.121 of the Revised Code is hereby repealed.	162 163
<b>Section 3.</b> 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.	164 165 166 167 168 169 170 171 172 173 174 175 176