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S.B. 242
135th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Sen. O'Brien

Zachary P. Bowerman, Attorney

SUMMARY

- Extends a property tax exemption available to political subdivisions and charitable and educational institutions that use or lease property exclusively for charitable, educational, or public purposes to religious institutions and purposes.

DETAILED ANALYSIS

Property tax exemption for religious institutions

The bill expands a property tax exemption currently available to political subdivisions and charitable and educational institutions that use or lease property exclusively for charitable, educational, or public purposes.¹ Under continuing law, such property qualifies for the existing charitable use exemption if the state, a subdivision, or a charitable or educational institution uses the real property or tangible personal property for its own charitable, educational, or public purposes or leases the property to another institution for those uses. Property used exclusively by religious organizations for public worship are generally entitled to a separate exemption, but the leasing of property between these different institutions can leave the property qualifying for neither exemption under current law.² The bill applies the charitable use exemption if the property's owner or lessee is a religious institution or if the property is used by the owner or lessee for a religious purpose.³ The bill's expanded exemption applies to tax years ending on or after the bill's 90-day effective date.⁴

¹ R.C. 5709.12, not in the bill.

² R.C. 5709.07, not in the bill.

³ R.C. 5709.121.

⁴ Section 3.

HISTORY

Action	Date
Introduced	04-16-24
