As Introduced

136th General Assembly
Regular Session
2025-2026

H. B. No. 540

Representatives Pizzulli, Thomas, D.

To enact section 5709.122 of the Revised Code to require payments in lieu of taxes from conservation organizations with significant holdings of tax-exempt land.

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

Section 1. That section 5709.122 of the Revised Code be enacted to read as follows:

Sec. 5709.122. (A) As used in this section:

(1) "Nonprofit conservation organization" means an organization that is 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 and the primary purpose of which is to conserve the environment.

(2) "Qualifying real property" means real property that meets all of the following criteria:

(a) The property is owned by a nonprofit conservation organization or its subsidiary, or such an organization or its subsidiary owns an interest in the property.

(b) The property or the organization's interest in the property is exempt from taxation under section 5709.12 or

5790.121 of the Revised Code as land used exclusively for charitable purposes.

(c) The total area of the property located in a single county is more than fifteen thousand acres.

"Qualifying real property" does not include any portion of such property that is used primarily for meetings, research or educational activities, or the administration of a nonprofit conservation organization.

(3) "Unimproved taxable value" means the taxable value of qualifying real property for the current tax year, exclusive of improvements, and assuming that the property was subject to taxation.

(B) On or before the thirtieth day of June of each year, beginning in 2026, a nonprofit conservation organization shall pay to the county treasurer of each county in which qualifying real property is located an amount equal to two and one-half per cent of the unimproved taxable value of qualifying real property located within that county.

(C) Within thirty days after receiving a payment under division (B) of this section, the county auditor shall distribute the money among the taxing units within the territory of which the qualifying real property is located in proportion to the amount of taxes that would have been collected and distributed to those taxing units with respect to such property if the property was subject to taxation.

(D) Money received by a taxing unit under this section shall be used for any lawful purpose.

(E) If a payment required under this section is not paid when due, the unpaid amount shall be collected in the same

<u>manner provided for the collection of delinquent real property taxes.</u>