

**House Ways and Means Committee**  
**Written Testimony - Proponent**  
**AM. Senate Bill 19**

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Thank you Chairman Merrin, Vice Chair Riedel, Ranking Member Sobecki and members of the House Ways and Means Committee for the opportunity to provide written testimony as a proponent of Amended Senate Bill 19, which clarifies the status of wetland mitigation projects and H2Ohio wetland projects that take place on property owned by 501(c)(3) organizations dedicated to specific conservation and water quality purposes.

The Nature Conservancy is a global organization with chapters in all 50 states and projects in over 70 countries. More than 65,000 Ohioans are Nature Conservancy supporters and we own and manage over 20,000 acres of nature preserves throughout the state. We are a non-partisan, science-based organization that seeks to conserve the lands and waters on which all life depends.

Amended Senate Bill 19 clarifies that when approved wetland mitigation projects or H2Ohio wetland projects are undertaken on land owned by a 501(c)(3) organized for the purpose of natural resources protection, preservation, restoration, or enhancement of water quality, that land is not subject to tax. This narrow exemption clarifies existing practice and ensures that organizations like TNC may continue to complete mitigation and H2Ohio wetland projects on land that is owned by the organization in a cost-effective manner. Amended Senate Bill 19 narrowly confirms this understanding of Ohio's tax law because the land covered by the exemption must be owned by a 501(c)(3) nonprofit dedicated to conservation or other specific purposes *and either* subject to an environmental response project that conforms to all the rules and regulations that govern these wetland mitigation projects *or* an H2Ohio wetland project whose location was determined by the criteria for placement included in the state's H2Ohio design.

The wetland projects referenced in the bill are critically important to protecting water quality for all Ohioans. When a property is developed and that development impacts a stream or wetland over a certain size, the developer must take action to mitigate the impact the proposed development will have on that stream or wetland. The easiest and most straightforward way to mitigate these impacts is often to purchase wetland mitigation credits from an approved mitigation bank. The organization operating the mitigation bank must use those credits to improve a wetland or stream elsewhere within the same general watershed region of the state – the idea being that this will broadly offset the impact of the development and keep wetland habitat close to the location of the development. Organizations wishing to sell mitigation credits undergo a lengthy process involving the Army Corps and the Ohio EPA in order to ensure that any mitigation for which a credit was sold actually takes place, and that project is also monitored over time to ensure that the mitigation environmental goals are met.

Similarly, the H2Ohio wetland projects in the bill are part of the state's unique and innovative H2Ohio program to invest in protecting and improving water quality by creating wetlands in key locations that will filter nutrients from the surrounding areas. The sites for these wetlands are carefully chosen by ODNR, with mapping and scientific advice from organizations like TNC, to ensure the maximum effectiveness of the wetlands. As I stated before, there are targeted regions in the state where ODNR has determined these wetlands are best located, and typically these projects are a private/public partnership with a charitable conservation organization receiving the contract for wetlands construction. This bill will ensure that property owned by a nonprofit and selected for an H2Ohio wetland project will remain tax-exempt.

Thank you for considering this issue and we urge your support for Amended Senate Bill 19 as the bill moves forward. By clarifying this narrow property tax exemption, you are ensuring that Ohio's wetland mitigation and H2Ohio programs can continue to reduce the impact of development across the state on Ohioans' water quality. Thank you again for the opportunity to provide testimony on Amended Senate Bill 19 and please contact me at 614-286-9394 or [tracy.freeman@tnc.org](mailto:tracy.freeman@tnc.org) with any questions.