

Senate Ways and Means Committee
Senate Bill 19 - Written Testimony - Proponent

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Thank you Chairman Blessing, Vice Chair Roegner, Ranking Member Williams and members of the Senate Ways and Means Committee for the opportunity to provide written testimony as a proponent of Senate Bill 19, which clarifies the tax-exempt status of wetland mitigation projects that take place on property owned by 501(c)(3) organizations dedicated to specific conservation and water quality purposes. I am Tracy Freeman, Government Relations Director for The Nature Conservancy in Ohio.

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.

This bill clarifies that when approved wetland mitigation projects are undertaken on land that is 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 ensures that conservation-focused organizations like TNC may continue to complete beneficial and protective mitigation projects on land that is owned by the organization. SB 19 confirms the current understanding of Ohio's tax law and does so narrowly as the land covered by the exemption must be *both* owned by a 501(c)(3) nonprofit dedicated to conservation or other specific purposes *and* subject to an environmental response project that conforms to all the rules and regulations that govern these wetland mitigation projects – ensuring an adequate supply of wetland mitigation credits for developers across the state.

The wetland mitigation projects referenced in the bill are critical to protecting water quality for all Ohioans. When a property is developed and that project impacts a stream or wetland over a certain size, the developer must, in accordance with federal and state requirements, 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 project. Organizations wishing to sell mitigation credits must undergo a review process involving the Army Corps and the Ohio EPA to ensure that any mitigation for which a credit was sold meets stringent criteria. They are also monitored over time for environmental benefits.

Thank you for your time and we urge your support for SB 19. By clarifying this narrow property tax exemption, you are ensuring that Ohio's wetlands mitigation program can continue to function as it was designed to help preserve the environmental benefits of wetlands and offer opportunities for development in areas where otherwise there may not be options. I am available at 614-286-9394 or tracy.freeman@tnc.org to answer any questions you may have.