



**To: Members of the Senate Ways and Means Committee**

**From: Vince Squillace, Executive Vice President**

**Re: Proponent Testimony SB 19 Tax Exemption**

Chairman Blessing, Vice Chair Roegner, Ranking Member Williams, and members of the Senate Ways and Means Committee, the Ohio Home Builders Association (OHBA) urges your support of SB 19 which would clarify existing tax law for 501(c)(3) organizations organized for the purpose of natural resources protection, preservation, restoration, or enhancement or water quality improvement.

The language in SB 19 would have a positive impact on the land development process, which very often includes partnering with one of these 501(c)(3) organizations for purposes of stream and wetland mitigation. OHBA is a trade association of 4,000 members advocating for and promoting the production of residential development and affordable housing in Ohio. Efficient land development is a crucial and necessary element of such production. The language in SB 19 clarifies the Ohio Revised Code and the taxing treatment of real property otherwise available to similarly organized 501(c)(3) s. SB 19 would correctly exempt real property from taxation if both of the following apply:

- (1) The property is owned or held by an organization that is organized for the purpose of natural resources protection, preservation, restoration, or enhancement or water quality improvement and that is described under section 501(c)(3) of the Internal Revenue Code and exempt from taxation under section 501(a) of the Internal Revenue Code.
- (2) The property is subject to an environmental response project described in division (E)(2) of section 5301.80 of the Revised Code.

As land is developed for residential construction, state and federal environmental protection agencies require various permits and potentially mitigation for environmental impacts. Mitigation banks play an important role in helping to provide reasonable mitigation options, impacting the overall cost of developing a piece of land. It makes sense for 501(C)(3) organizations providing such environmental improvements and protection be treated similarly for tax purposes.

Thank you to the Sponsor, Senator Schaffer for introducing SB 19. OHBA is happy to work with this Committee and the Sponsor as SB 19 moves through the process.