## As Passed by the Senate

# 135th General Assembly

# Regular Session 2023-2024

Am. S. B. No. 226

#### **Senator Johnson**

Cosponsors: Senators Cirino, Lang, Schaffer, Antani, Brenner, Chavez, Gavarone, Hackett, Landis, O'Brien, Reineke, Reynolds, Romanchuk, Wilson

### A BILL

То	amend sections 319.202, 5301.256, and 5323.02 of	1
	the Revised Code to extend the law that	2
	prohibits certain governments, businesses, and	3
	individuals from acquiring agricultural land to	4
	certain other property and to name this act the	5
	Ohio Property Protection Act.	6

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

<b>Section 1</b> . That sections 319.202, 5301.256, and 5323.02 of	7
the Revised Code be amended to read as follows:	8
Sec. 319.202. Before the county auditor indorses any real	9
property conveyance or manufactured or mobile home conveyance	10
presented to the auditor pursuant to section 319.20 of the	11
Revised Code or registers any manufactured or mobile home	12
conveyance pursuant to section 4503.061 of the Revised Code, the	13
grantee or the grantee's representative shall submit, either	14
electronically or three written copies of, a statement, in the	15
form prescribed by the tax commissioner, and other information	16
as the county auditor may require, declaring the value of real	17
property or manufactured or mobile home conveyed, except that	18

grantee's taxes;

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when the transfer is exempt under division (G)(3) of section	19
319.54 of the Revised Code only a statement of the reason for	20
the exemption and, if the statement involves the transfer of	21
protected property, the affirmations required by division (C) of	22
this section shall be required. Each statement submitted under	23
this section shall contain the information required under	24
divisions (A) and (B) of this section and, if the statement	25
involves the transfer of protected property, the affirmations	26
required by division (C) of this section.	27
(A) Each statement submitted under this section shall	28
either:	29
(1) Contain an affirmation by the grantee that the grantor	30
has been asked by the grantee or the grantee's representative	31
whether to the best of the grantor's knowledge either the	32
preceding or the current year's taxes on the real property or	33
the current or following year's taxes on the manufactured or	34
mobile home conveyed will be reduced under division (A) of	35
section 323.152 or under section 4503.065 of the Revised Code	36
and that the grantor indicated that to the best of the grantor's	37
knowledge the taxes will not be so reduced; or	38
(2) Be accompanied by a sworn or affirmed instrument	39
stating:	40
(a) To the best of the grantor's knowledge the real	41
property or the manufactured or mobile home that is the subject	42
of the conveyance is eligible for and will receive a reduction	43
in taxes for or payable in the current year under division (A)	44
of section 323.152 or under section 4503.065 of the Revised Code	45

and that the reduction or reductions will be reflected in the

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(b) The estimated amount of such reductions that will be	48
reflected in the grantee's taxes;	49
(c) That the grantor and the grantee have considered and	50
accounted for the total estimated amount of such reductions to	51
the satisfaction of both the grantee and the grantor. The	52
auditor shall indorse the instrument, return it to the grantee	53
or the grantee's representative, and provide a copy of the	54
indorsed instrument to the grantor or the grantor's	55
representative.	56
(B) Each statement submitted under this section shall	57
either:	58
(1) Contain an affirmation by the grantee that the grantor	59
has been asked by the grantee or the grantee's representative	60
whether to the best of the grantor's knowledge the real property	61
conveyed qualified for the current agricultural use valuation	62
under section 5713.30 of the Revised Code either for the	63
preceding or the current year and that the grantor indicated	64
that to the best of the grantor's knowledge the property	65
conveyed was not so qualified; or	66
(2) Be accompanied by a sworn or affirmed instrument	67
stating:	68
(a) To the best of the grantor's knowledge the real	69
property conveyed was qualified for the current agricultural use	70
valuation under section 5713.30 of the Revised Code either for	71
the preceding or the current year;	72
(b) To the extent that the property will not continue to	73
qualify for the current agricultural use valuation either for	74
the current or the succeeding year, that the property will be	75

subject to a recoupment charge equal to the tax savings in

accordance with section 5713.34 of the Revised Code;	77
(c) That the grantor and the grantee have considered and	78
accounted for the total estimated amount of such recoupment, if	79
any, to the satisfaction of both the grantee and the grantor.	80
The auditor shall indorse the instrument, forward it to the	81
grantee or the grantee's representative, and provide a copy of	82
the indorsed instrument to the grantor or the grantor's	83
representative.	84
(C) Each statement submitted under this section involving	85
the transfer of protected property shall contain both of the	86
<pre>following:</pre>	87
(1) An affirmation by the grantee as to whether the	88
grantee is prohibited from purchasing or otherwise acquiring	89
protected property in this state under section 5301.256 of the	90
Revised Code;	91
(2) An affirmation by the grantor as to whether the	92
grantor is prohibited from purchasing or otherwise acquiring	93
protected property in this state under section 5301.256 of the	94
Revised Code and, if so, whether the protected property that is	95
the subject of the transfer was acquired before the effective	96
date of this amendment.	97
(D)(1) The grantor shall pay the fee following:	98
(a) The fee required by division (G)(3) of section 319.54	99
of the Revised Code; and, in	100
(b) In the event the board of county commissioners of the	101
county has levied a real property or a manufactured home	102
transfer tax pursuant to Chapter 322. of the Revised Code, the	103
amount required by the real property or manufactured home	104
transfer tax so levied.—If—	105

(2) If the conveyance is exempt from the fee provided for	106
in division (G)(3) of section 319.54 of the Revised Code and the	107
tax, if any, levied pursuant to Chapter 322. of the Revised	108
Code, the reason for such exemption shall be shown on the	109
statement. "Value" means, in the case of any deed or certificate	110
of title not a gift in whole or part, the amount of the full	111
consideration therefor, paid or to be paid for the real estate	112
or manufactured or mobile home described in the deed or title,	113
including the amount of any mortgage or vendor's lien thereon.	114
If property sold under a land installment contract is conveyed	115
by the seller under such contract to a third party and the	116
contract has been of record at least twelve months prior to the	117
date of conveyance, "value" means the unpaid balance owed to the	118
seller under the contract at the time of the conveyance, but the	119
statement shall set forth the amount paid under such contract	120
prior to the date of conveyance. In the case of a gift in whole	121
or part, "value" means the estimated price the real estate or	122
manufactured or mobile home described in the deed or certificate	123
of title would bring in the open market and under the then-	124
existing and prevailing market conditions in a sale between a	125
willing seller and a willing buyer, both conversant with the	126
property and with prevailing general price levels.	127
(3) No person shall willfully falsify the value of	128

(3) No person shall willfully falsify the value of property conveyed.

(D)—(E) The auditor shall indorse each conveyance on its face to indicate the amount of the conveyance fee and compliance with this section and if the property is residential rental property include a statement that the grantee shall file with the county auditor the information required under division (A) or (C) of section 5323.02 of the Revised Code. The auditor shall retain the original copy of the statement of value, forward to

(1) "Agricultural land" and "protected property" have the

Am. S. B. No. 226

Page 6

164

same meanings as in section 5301.256 of the Revised Code.	165
(2) "Residential rental property" has the same meaning as	166
in section 5323.01 of the Revised Code.	167
(3) (a) "Value" means, in the case of any deed or	168
certificate of title not a gift in whole or part, the amount of	169
the full consideration therefor, paid or to be paid for the real	170
estate or manufactured or mobile home described in the deed or	171
title, including the amount of any mortgage or vendor's lien	172
thereon.	173
(b) If property sold under a land installment contract is	174
conveyed by the seller under such contract to a third party and	175
the contract has been of record at least twelve months prior to	176
the date of conveyance, "value" means the unpaid balance owed to	177
the seller under the contract at the time of the conveyance, but	178
the statement shall set forth the amount paid under such	179
contract prior to the date of conveyance.	180
(c) In the case of a gift in whole or part, "value" means	181
the estimated price the real estate or manufactured or mobile	182
home described in the deed or certificate of title would bring	183
in the open market and under the then existing and prevailing	184
market conditions in a sale between a willing seller and a	185
willing buyer, both conversant with the property and with	186
prevailing general price levels.	187
Sec. 5301.256. (A) As used in this section:	188
(1) "Agriculture" has the same meaning as in section 1.61	189
of the Revised Code.	190
(2) "Agricultural land" means land suitable for use in	191
agriculture and includes water on and upon and air space over	192
(2) "Residential rental property" has the same meaning as in section 5323.01 of the Revised Code.  (3) (a) "Value" means, in the case of any deed or certificate of title not a gift in whole or part, the amount of the full consideration therefor, paid or to be paid for the real estate or manufactured or mobile home described in the deed or title, including the amount of any mortgage or vendor's lien thereon.  (b) If property sold under a land installment contract is conveyed by the seller under such contract to a third party and the contract has been of record at least twelve months prior to the date of conveyance, "value" means the unpaid balance owed to the seller under the contract at the time of the conveyance, but the statement shall set forth the amount paid under such contract prior to the date of conveyance.  (c) In the case of a gift in whole or part, "value" means the estimated price the real estate or manufactured or mobile home described in the deed or certificate of title would bring in the open market and under the then existing and prevailing market conditions in a sale between a willing seller and a willing buyer, both conversant with the property and with prevailing general price levels.  Sec. 5301.256. (A) As used in this section:  (1) "Agriculture" has the same meaning as in section 1.61 of the Revised Code.  (2) "Agricultural land" means land suitable for use in	193

Page 8

Am. S. B. No. 226

(c) Located within a twenty-five mile radius of a critical	221
infrastructure facility, as defined in section 2911.21 of the	222
Revised Code.	223
(8) "Control" means the authority, by contract or by law,	224
to direct the affairs and day-to-day operations of a business	225
without the consent of any other person.	226
(9) "Own" means possession of more than fifty per cent of	227
the stock, equity, or other ownership interest of a business.	228
(10) "Foreign adversary" means a country listed on the	229
registry published by the secretary of state under division (H)	230
of this section.	231
$\frac{(B)(1)}{(B)}$ On or after the effective date of this section,	232
no person listed in the registry published by the secretary of	233
state under division (G) of this section, and no agent, trustee,	234
or fiduciary of such a personamendment, none of the following	235
persons shall, directly or indirectly, purchase or otherwise	236
acquire-agricultural land in this state protected property:	237
(1) A person listed on the registry published by the	238
secretary of state under division (H) of this section;	239
(2) A government of a foreign adversary;	240
(3) An individual who is a citizen of a foreign adversary,	241
regardless of whether that same individual is also a citizen or	242
national of one or more other countries, other than the United	243
States, that are not foreign adversaries;	244
(4) A business that is headquartered in a foreign	245
adversary;	246
(5) A business that is directly or indirectly owned or	247
controlled by one or more persons described in divisions (B) (1)	248

to (4) of this section, or an agent, fiduciary, or trustee of	249
<pre>such persons;</pre>	250
(6) Except as otherwise provided in division (D)(3) of	251
this section, an agent, fiduciary, or trustee of a person	252
described in divisions (B)(1) to (5) of this section.	253
(2) (C) A person, agent, trustee or fiduciary subject to	254
division $\frac{(B)(1)-(B)}{(B)}$ of this section that <u>directly or indirectly</u>	255
owns or holds agricultural land in this state as described in	256
division (B) (1) of this section protected property before the	257
effective date of this section—amendment, may continue to own or	258
hold the agricultural landprotected property, but shall not	259
purchase or otherwise acquire, directly or indirectly,	260
additional agricultural land in this state that is subject to-	261
the restriction in division (B) (1) of this section protected	262
<pre>property, unless an exception described in division (C) (D) of</pre>	263
this section applies.	264
(C) (D) The restriction on acquiring agricultural land	265
<u>restrictions</u> set forth in division $\frac{(B)(1)}{(B)}$ of this section	266
<pre>does do not apply to any of the following:</pre>	267
(1) Agricultural land Protected property acquired by	268
devise or descent. However Except as otherwise provided in	269
division (C) of this section, a person listed in the registry	270
published by the secretary of state under division (G) subject	271
to division (B) of this section, or an agent, trustee, or	272
fiduciary thereof, that directly or indirectly acquires the	273
agricultural landprotected property, or an a direct or indirect	274
interest in agricultural land, protected property by devise or	275
descent on or after the effective date of this section—shall	276
divest itself of all right, title, and interest in the	277
agricultural land protected property, whether direct or	278

<u>indirect</u> , within two years <del>from </del> <u>after</u> the date of acquisition.	279
(2) Agricultural land Protected property that is acquired,	280
directly or indirectly, by a process of law in the collection of	281
debts, by a deed in lieu of foreclosure, pursuant to a	282
forfeiture of a contract for deed, or by any procedure for the	283
enforcement of a lien or claim on the agricultural landprotected	284
property, whether created by mortgage or otherwise. Agricultural	285
<pre>land Except as otherwise provided in division (C) of this</pre>	286
section, protected property so acquired shall be sold or	287
otherwise disposed of within two years after title is	288
transferred. Agricultural If the protected property is	289
agricultural land, pending the sale or disposition, the land	290
shall not be used for any purpose other than agriculture, and	291
the land shall not be used for agriculture under lease to an	292
individual, trust, corporation, partnership, or other business	293
entity subject to the restrictions under division $\frac{(B)}{(1)}$ of	294
this section.	295
(D) (3) Protected property directly or indirectly acquired	296
by agent, fiduciary, or trustee of a person described in	297
divisions (B) (1) to (5) of this section acting in the agent's,	298
fiduciary's, or trustee's personal capacity, if both of the	299
<pre>following apply:</pre>	300
(a) The agent, fiduciary, or trustee is not a person	301
described in divisions (B)(1) to (5) of this section;	302
(b) The agent, fiduciary, or trustee is not purchasing or	303
otherwise acquiring the property to circumvent the restrictions	304
prescribed by this section.	305
(4) Protected property directly or indirectly acquired by	306
an individual who is a United States citizen or national,	307

unless that individual is purchasing or otherwise acquiring the	308
property as an agent, fiduciary, or trustee of a person	309
described in divisions (B)(1) to (5) of this section.	310
(E) A person <del>listed in the registry published by the</del>	311
secretary of state under subject to division (G) (B) of this	312
section, or an agent, trustee, or fiduciary of such a person,	313
shall not directly or indirectly transfer title to or an	314
interest in agricultural land protected property to another	315
person listed in that registry, or an agent, trustee, or	316
fiduciary thereofsubject to that division, except by devise or	317
descentunless an exception described in division (D) of this	318
section applies.	319
(E) A (F) Except as otherwise provided in divisions (C)	320
and (D) of this section, a person or an agent, trustee, or	321
fiduciary that directly or indirectly purchases or otherwise	322
acquires agricultural land in this state described in division	323
(B) (1) of this section, other than by devise or descent, after	324
the effective date of this section protected property, and that	325
is—subsequently added to the registry published by the secretary—	326
of state under becomes subject to division (G) (B) of this	327
section, shall divest itself of all right, title, and interest	328
whether direct or indirect, in the agricultural land protected	329
property within two years from after the date the person is	330
added to the registry, agent, trustee, or fiduciary becomes	331
subject to division (B) of this section.	332
(F)(1) (G)(1) If the secretary of state a county auditor	333
finds or has reason to believe that a person listed on the	334
registry published under division (G) of this section, or an-	335
agent, trustee, or fiduciary thereof, subject to division (B) of	336
this section has acquired, or holds title to, or interest in,	337

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agricultural land protected property in this state in violation	338
of this section, the <del>secretary of state</del> <u>auditor</u> shall <del>report the</del>	339
violation to the attorney generalnotify the county sheriff of	340
each county in which the protected property is located. The	341
county sheriff shall investigate the allegation, and may, in	342
conducting the investigation, issue subpoenas to compel	343
witnesses to appear to provide testimony or produce records. If	344
the protected property is located in more than one county, the	345
county sheriffs of those counties may investigate the allegation	346
collaboratively.	347
(2) Upon <del>receipt of the report from the secretary of</del>	348
state, the attorney general concluding the investigation, if the	349
county sheriff determines that a violation has occurred, the	350
county sheriff shall refer the violation to the county	351
prosecutor. Upon receiving such a referral, the county	352
<pre>prosecutor shall initiate commence an action in the court of</pre>	353
common pleas of any the county in which the agricultural land is	354
<del>located seeking relief in accordance with this section</del> . If the	355
agricultural land protected property is located in more than one	356
county, -or adjoining tracts of agricultural land are located in-	357
more than one county, rather than commencing a separate action	358
in each such county, the county prosecutors may commence one	359
consolidated action the county in which the majority of the	360
agricultural land territory of the protected property is located	361
shall have In a consolidated action, the court of common pleas	362
of the county in which the majority of the territory of the	363

protected property is located has territorial jurisdiction over

agricultural land all protected property that is the subject of

the action. The attorney general may initiate an action in the

court of common pleas of more than one county, if necessary, in-

which case, the court of common pleas in that county shall have

jurisdiction over the action in matters as it relates to the	369
portion of the agricultural land that is located in that county.	370
(3) The attorney general Once the action is commenced, the	371
<pre>county prosecutor shall file a notice of the pendency of the</pre>	372
action with the county recorder of each county in which any of-	373
the agricultural land protected property subject to the action	374
is located.	375
(4) If the court finds that the <del>agricultural land</del>	376
protected property in question has been acquired or held in	377
violation of this section, it shall do all of the following:	378
(a) Enter an order so declaring;	379
(b) File a copy of the order with the county recorder of	380
each county in which any portion of the agricultural land	381
<pre>protected property is located;</pre>	382
(c) Declare the agricultural land escheated to the state;	383
(d) Order that the escheated agricultural land protected	384
property be sold pursuant to Chapter 2329. of the Revised Code	385
in the same manner as a foreclosure on a mortgage, except that	386
there shall be no opportunity for redemption under section	387
2329.33 of the Revised Code.	388
(5) Upon receiving an order under division (F)(4)(G)(4)	389
of this section, the clerk of the court shall notify the	390
governor that the title to the agricultural land protected	391
property is <del>vested in the state to be sold by decree of the</del>	392
court. After the sale, the proceeds <del>of the sale</del> -shall be paid as	393
follows:	394
(a) The proceeds shall first be used First, to pay court	395
costs related to the action or actions-initiated pursuant to-	396

division (F) (2) of this section;	397
(b) The remaining proceeds, if any, shall be paid Second,	398
to bona fide lien holders, in their order of priority, except	399
for liens that under the terms of the sale are to remain on the	400
<pre>property;</pre>	401
(c) Third, to the person whose agricultural land	402
escheated, but only in an amount not exceeding the actual cost-	403
paid by the person for that agricultural land;	404
(c) The proceeds remaining after payments have been made	405
pursuant to divisions (F)(5)(a) and (b) of this section shall be	406
paid—to the general fund of each county in which the	407
agricultural land protected property is located, proportionally,	408
based on the percentage of the territory located in each county.	409
$\frac{(G)-(H)}{(H)}$ The secretary of state shall compile and	410
periodically update at least one time every six months a	411
registry of foreign adversaries and other persons that, based on	412
the best information available to the secretary of state,	413
constitute a threat to the agricultural production, critical	414
infrastructure, security, or military defense of this state, or	415
the United States, if permitted to acquire agricultural land	416
described in division (B)(1) of this section. The registry shall	417
be published on the secretary of state's web site. The secretary	418
of state shall consult all of the following in compiling the	419
registry:	420
(1) The list of persons determined to be foreign	421
adversaries by the secretary of commerce of the United States	422
under 15 C.F.R. 7.4;	423
(2) The terrorist exclusion list compiled by the secretary	424
of state of the United States in consultation with the attorney	425

general of the United States under 8 U.S.C. 1182;	426
(3) The list of countries determined by the secretary of	427
state of the United States that have repeatedly provided support	428
for acts of international terrorism under 50 U.S.C. 4813(c) and	429
22 U.S.C. 2780(d);	430
(4) The list of individual and entities designated by, or	431
in accordance with Executive Order 13224, issued by the	432
president of the United States on September 23, 20212001, or	433
Executive Order 13268, issued by the president of the United	434
States on July 2, 2002.	435
(H) (I) (1) No person is required to determine or inquire	436
whether another person is or may be subject to division (B) of	437
this section unless the person is either:	438
(a) Subject to division (B) of this section;	439
(b) A county auditor, county sheriff, county prosecutor,	440
or trier of fact of a court of common pleas acting in the	441
person's official capacity as provided in this section or	442
section 319.302 of the Revised Code;	443
(2) A person that is not subject to division (B) of this	444
section bears no liability under this section.	445
(3) No title to an interest in real property is invalid or	446
subject to divestment by reason of a violation of this section	447
by any former owner or other person holding or owning a former	448
interest in such real property.	449
(J) The purpose of establishing the restrictions as set	450
forth in this section is to recognize that the state has a	451
substantial and compelling interest in protecting its	452
agricultural production, critical infrastructure, security, and	453

military defense.	454
Sec. 5323.02. (A) An owner of residential rental property	455
shall file with the county auditor of the county in which the	456
property is located the following information:	457
(1) The name, address, and telephone number of the owner;	458
(2) If the residential rental property is owned by a	459
trust, business trust, estate, partnership, limited partnership,	460
limited liability company, association, corporation, or any	461
other business entity, the name, address, and telephone number	462
of the following:	463
(a) A trustee, in the case of a trust or business trust;	464
(b) The executor or administrator, in the case of an	465
estate;	466
(c) A general partner, in the case of a partnership or a	467
<pre>limited partnership;</pre>	468
(d) A member, manager, or officer, in the case of a	469
limited liability company;	470
(e) An associate, in the case of an association;	471
(f) An officer, in the case of a corporation;	472
(g) A member, manager, or officer, in the case of any	473
other business entity.	474
(3) The street address and permanent parcel number of the	475
residential rental property.	476
(B) The information required under division (A) of this	477
section shall be filed and maintained on the tax list or the	478
real property record.	479

(C) An owner of residential rental property shall update	480
the information required under division (A) of this section	481
within sixty days after any change in the information occurs.	482
(D) The county auditor shall provide an owner of	483
residential rental property located in a county that has a	484
population of more than two hundred thousand according to the	485
most recent decennial census with notice pursuant to division	486
(B) of section 323.131 of the Revised Code of the requirement to	487
file the information required under division (A) of this section	488
and the requirement to update that information under division	489
(C) of this section.	490
(E) The owner of residential real property shall comply	491
with the requirements under divisions (A) and (C) of this	492
section within sixty days after receiving the notice provided	493
under division (D) of this section, division $\frac{\text{(D)}_{\text{(E)}}}{\text{(E)}}$ of section	494
319.202, or division (B) of section 323.131 of the Revised Code.	495
Section 2. That existing sections 319.202, 5301.256, and	496
-	
5323.02 of the Revised Code are hereby repealed.	497
Section 3. This act shall be known as the Ohio Property	498
Protection Act.	499