

As Introduced

**128th General Assembly
Regular Session
2009-2010**

H. B. No. 605

Representative Morgan

Cosponsors: Representatives Huffman, Sears, Lehner, Adams, J.

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A B I L L

To amend section 5709.07 of the Revised Code to 1
exempt from property taxation real property 2
procured for use by a school through a for-profit 3
lease. 4

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

Section 1. That section 5709.07 of the Revised Code be 5
amended to read as follows: 6

Sec. 5709.07. (A) The following property shall be exempt from 7
taxation: 8

(1) ~~Public schoolhouses, the books and furniture in them, and 9
the ground attached to them necessary for the proper occupancy, 10
use, and enjoyment of the schoolhouses, and not leased or 11
otherwise used with a view to profit;~~ Real property used by a 12
school for primary or secondary educational purposes, including 13
only so much of the land as is necessary for the proper occupancy, 14
use, and enjoyment of such real property. Real property otherwise 15
qualifying for exemption under division (A)(1) of this section is 16
not disqualified because it is procured for use by the school 17
through a for-profit lease. 18

For purposes of division (A)(1) of this section: 19

(a) "School" means a public or nonpublic school. "School" excludes home instruction as authorized under section 3321.04 of the Revised Code. 20
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(b) "Public school" includes schools of a school district, STEM schools established under Chapter 3326. of the Revised Code, community schools established under Chapter 3314. of the Revised Code, and educational service centers established under section 3311.05 of the Revised Code. 23
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(c) "Nonpublic school" means a nonpublic school for which the state board of education prescribes minimum standards under division (D)(2) of section 3301.07 of the Revised Code. 28
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(2) Houses used exclusively for public worship, the books and furniture in them, and the ground attached to them that is not leased or otherwise used with a view to profit and that is necessary for their proper occupancy, use, and enjoyment; 31
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(3) Real property owned and operated by a church that is used primarily for church retreats or church camping, and that is not used as a permanent residence. Real property exempted under division (A)(3) of this section may be made available by the church on a limited basis to charitable and educational institutions if the property is not leased or otherwise made available with a view to profit. 35
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(4) Public colleges and academies and all buildings connected with them, and all lands connected with public institutions of learning, not used with a view to profit, including those buildings and lands that satisfy all of the following: 42
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(a) The buildings are used for housing for full-time students or housing-related facilities for students, faculty, or employees of a state university, or for other purposes related to the state university's educational purpose, and the lands are underneath the buildings or are used for common space, walkways, and green spaces 46
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for the state university's students, faculty, or employees. As 51
used in this division, "housing-related facilities" includes both 52
parking facilities related to the buildings and common buildings 53
made available to students, faculty, or employees of a state 54
university. The leasing of space in housing-related facilities 55
shall not be considered an activity with a view to profit for 56
purposes of division (A)(4) of this section. 57

(b) The buildings and lands are supervised or otherwise under 58
the control, directly or indirectly, of an organization that is 59
exempt from federal income taxation under section 501(c)(3) of the 60
Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as 61
amended, and the state university has entered into a qualifying 62
joint use agreement with the organization that entitles the 63
students, faculty, or employees of the state university to use the 64
lands or buildings; 65

(c) The state university has agreed, under the terms of the 66
qualifying joint use agreement with the organization described in 67
division (A)(4)(b) of this section, that the state university, to 68
the extent applicable under the agreement, will make payments to 69
the organization in amounts sufficient to maintain agreed-upon 70
debt service coverage ratios on bonds related to the lands or 71
buildings. 72

(B) This section shall not extend to leasehold estates or 73
real property held under the authority of a college or university 74
of learning in this state; but leaseholds, or other estates or 75
property, real or personal, the rents, issues, profits, and income 76
of which is given to a municipal corporation, school district, or 77
subdistrict in this state exclusively for the use, endowment, or 78
support of schools for the free education of youth without charge 79
shall be exempt from taxation as long as such property, or the 80
rents, issues, profits, or income of the property is used and 81
exclusively applied for the support of free education by such 82

municipal corporation, district, or subdistrict. Division (B) of 83
this section shall not apply with respect to buildings and lands 84
that satisfy all of the requirements specified in divisions 85
(A)(4)(a) to (c) of this section. 86

(C) For purposes of this section, if the requirements 87
specified in divisions (A)(4)(a) to (c) of this section are 88
satisfied, the buildings and lands with respect to which exemption 89
is claimed under division (A)(4) of this section shall be deemed 90
to be used with reasonable certainty in furthering or carrying out 91
the necessary objects and purposes of a state university. 92

(D) As used in this section: 93

(1) "Church" means a fellowship of believers, congregation, 94
society, corporation, convention, or association that is formed 95
primarily or exclusively for religious purposes and that is not 96
formed for the private profit of any person. 97

(2) "State university" has the same meaning as in section 98
3345.011 of the Revised Code. 99

(3) "Qualifying joint use agreement" means an agreement that 100
satisfies all of the following: 101

(a) The agreement was entered into before June 30, 2004; 102

(b) The agreement is between a state university and an 103
organization that is exempt from federal income taxation under 104
section 501(c)(3) of the Internal Revenue Code of 1986, 100 Stat. 105
2085, 26 U.S.C. 1, as amended; and 106

(c) The state university that is a party to the agreement 107
reported to the Ohio board of regents that the university 108
maintained a headcount of at least twenty-five thousand students 109
on its main campus during the academic school year that began in 110
calendar year 2003 and ended in calendar year 2004. 111

Section 2. That existing section 5709.07 of the Revised Code 112

is hereby repealed.

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