

As Reported by the House Ways and Means Committee

129th General Assembly

Regular Session

2011-2012

Am. S. B. No. 71

Senator Manning

**Cosponsors: Senators Schaffer, Wagoner, Widener, Bacon, Beagle, Daniels,
Hite, Hughes, LaRose, Obhof, Patton
Representatives Letson, Barnes**

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A B I L L

To amend section 5709.081 of the Revised Code to 1
authorize property tax exemption for municipally 2
owned facilities housing independent professional 3
minor league baseball teams. 4

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

Section 1. That section 5709.081 of the Revised Code be 5
amended to read as follows: 6

Sec. 5709.081. (A) Real and tangible personal property owned 7
by a political subdivision that is a public recreational facility 8
for athletic events shall be exempt from taxation if all of the 9
following apply: 10

(1) The property is controlled and managed by a political 11
subdivision or a county-related corporation or by a similar 12
corporation under the direct control of a political subdivision 13
and whose members and trustees are chosen or appointed by the 14
subdivision; 15

(2) All revenues and receipts derived by the subdivision or 16

corporation that controls and manages the property, after 17
deducting amounts needed to pay necessary expenses for the 18
operation and management of the property, accrue to the political 19
subdivision owning the property; 20

(3) The property is not occupied and used for more than seven 21
days in any calendar month by any private entity for profit or for 22
more than a total of fifteen days in any calendar month by all 23
such private entities for profit; 24

(4) The property is under the direction and control of the 25
political subdivision or managing corporation whenever it is being 26
used by a private entity for profit; 27

(5) The primary user or users of the property, if such a 28
primary user exists, are controlled and managed by the political 29
subdivision or corporation that controls and manages the property. 30

(B) Tangible personal property, and all buildings, 31
structures, fixtures, and improvements of any kind to the land, 32
that are constructed or, in the case of personal property, 33
acquired after March 2, 1992, and are part of or used in a public 34
recreational facility used by a major league professional athletic 35
team or a class A to class AAA minor league affiliate of a major 36
league baseball team for a significant portion of its home 37
schedule, and land acquired by a political subdivision in 1999 for 38
such purposes or originally leased from a political subdivision, 39
such political subdivision qualifying as such pursuant to division 40
~~(G)~~ (H) of this section, in 1998 for such purposes, are declared 41
to be public property used for a public purpose and are exempt 42
from taxation, if all of the following apply: 43

(1) Such property, or the land upon which such property is 44
located if such land was originally leased in 1998 from a 45
political subdivision that qualifies as such pursuant to division 46
~~(G)~~ (H) of this section, is owned by one or more political 47

subdivisions or by a corporation controlled by such subdivisions;	48
(2) Such property was or is any of the following:	49
(a) Constructed or, in the case of personal property,	50
acquired pursuant to an agreement with a municipal corporation to	51
implement a development, redevelopment, or renewal plan for an	52
area declared by the municipal corporation to be a slum or	53
blighted area, as those terms are defined in section 725.01 of the	54
Revised Code;	55
(b) Financed in whole or in part with public obligations as	56
defined in section 5709.76 of the Revised Code or otherwise paid	57
for in whole or in part by one or more political subdivisions;	58
(c) An improvement or addition to property defined in	59
division (B)(2)(a) or (b) of this section.	60
(3) Such property is controlled and managed by either of the	61
following:	62
(a) One or more of the political subdivisions or the	63
corporation that owns it;	64
(b) A designee, tenant, or agent of such political	65
subdivision or subdivisions or corporation pursuant to a	66
management, lease, or similar written agreement.	67
(4) The primary user or users of such property, if a primary	68
user or primary users exist, either:	69
(a) Are controlled and managed by one or more of the	70
political subdivisions or the corporation that owns the property;	71
or	72
(b) Operate under leases, licenses, management agreements, or	73
similar arrangements with, and providing for the payment of rents,	74
revenues, or other remuneration to, one or more of the political	75
subdivisions or the corporation that owns the property.	76
(5) Any residual cash accrues to the political subdivision or	77

subdivisions that own the property or that control the corporation 78
that owns the property, and is used for the public purposes of the 79
subdivision or subdivisions. As used in division (B)(5) of this 80
section, "residual cash" means any revenue and receipts derived 81
from the property by the political subdivision or subdivisions or 82
corporation that owns the property and that are available for 83
unencumbered use by the political subdivision or subdivisions or 84
corporation, after deducting amounts needed to make necessary 85
expenditures, pay debt service, and provide for working capital 86
related to the ownership, management, operation, and use of the 87
property, including payments of taxes on the taxable part of the 88
public recreational facility, contractually obligated payments or 89
deposits into reserves or otherwise, and service payments under 90
section 307.699 of the Revised Code. 91

(C) The exemption provided in division (B) of this section 92
also applies to both of the following: 93

(1) The property during its construction or, in the case of 94
tangible personal property, acquisition during the construction 95
period, if the owner meets the condition of division (B)(1) of 96
this section and has agreements that provide for the satisfaction 97
of all other conditions of division (B) of this section upon the 98
completion of the construction; 99

(2) Any improvement or addition made after March 2, 1992, to 100
a public recreational facility that was constructed before March 101
2, 1992, as long as all other conditions in division (B) of this 102
section are met. 103

(D) A corporation that owns property exempt from taxation 104
under division (B) of this section is a public body for the 105
purposes of section 121.22 of the Revised Code. The corporation's 106
records are public records for the purposes of section 149.43 of 107
the Revised Code, except records related to matters set forth in 108
division (G) of section 121.22 of the Revised Code and records 109

related to negotiations that are not yet completed for financing, 110
leases, or other agreements. 111

(E) The exemption under division (B) of this section applies 112
to property that is owned by the political subdivision or 113
subdivisions or the corporation that owns the public recreational 114
facility. Tangible personal property owned by users, managers, or 115
lessees of the facility is taxable when used in the public 116
recreational facility. 117

(F) All real property constituting a public recreational 118
facility, including the land on which the facility is situated, 119
that is owned by a municipal corporation and used primarily by an 120
independent professional minor league baseball team for a 121
significant portion of its home schedule is declared to be public 122
property used for a public purpose, and is exempt from taxation, 123
if the facility is constructed in 2008 or thereafter, the team 124
operates at the facility under a lease, license, management 125
agreement, or similar arrangement with the municipal corporation 126
that requires the team to pay rent, revenue, or other remuneration 127
to the municipal corporation, and any residual cash, as defined in 128
division (B)(5) of this section, that accrues to the municipal 129
corporation is used for the public purposes of the municipal 130
corporation. 131

For the purposes of this division, an independent 132
professional minor league baseball team is a baseball team that 133
employs professional players and that is a member of an 134
established league composed of teams that are not affiliated with 135
a constituent member club of the association known as major league 136
baseball. 137

(G) Nothing in this section or in any other section of the 138
Revised Code prohibits or otherwise precludes an agreement between 139
a political subdivision, or a corporation controlled by a 140
political subdivision, that owns or operates a public recreational 141

facility that is exempted from taxation under division (A) ~~or~~ 142
(B), or (F) of this section and the board of education of a school 143
district or the legislative authority of a municipal corporation, 144
or both, in which all or a part of that facility is located, 145
providing for payments to the school district or municipal 146
corporation, or both, in lieu of taxes that otherwise would be 147
charged against real and tangible personal property exempted from 148
taxation under this section, for a period of time and under such 149
terms and conditions as the legislative authority of the political 150
subdivision and the board of education or municipal legislative 151
authority, or both, may agree, which agreements are hereby 152
specifically authorized. 153

~~(G)~~(H) As used in this section, "political subdivision" 154
includes the state or an agency of the state if the city, local, 155
or exempted village school district in which the property is 156
situated expressly consents to exempting the property from 157
taxation. 158

Section 2. That existing section 5709.081 of the Revised Code 159
is hereby repealed. 160

Section 3. Section 5709.081 of the Revised Code, as amended 161
by this act, is remedial in nature and applies to the tax years at 162
issue in any application for exemption from taxation pending 163
before the Tax Commissioner, the Board of Tax Appeals, any Court 164
of Appeals, or the Supreme Court on the effective date of this act 165
and to the property that is the subject of any such application. 166