

As Introduced

**130th General Assembly
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S. B. No. 322

Senator Tavares

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A B I L L

To amend section 5709.07 of the Revised Code to 1
exempt church day-care centers from property 2
taxation, provided the day-care center does not 3
produce over \$30,000 in income for the church per 4
year. 5

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

Section 1. That section 5709.07 of the Revised Code be 6
amended to read as follows: 7

Sec. 5709.07. (A) The following property shall be exempt from 8
taxation: 9

(1) Real property used by a school for primary or secondary 10
educational purposes, including only so much of the land as is 11
necessary for the proper occupancy, use, and enjoyment of such 12
real property by the school for primary or secondary educational 13
purposes. The exemption under division (A)(1) of this section does 14
not apply to any portion of the real property not used for primary 15
or secondary educational purposes. 16

For purposes of division (A)(1) of this section: 17

(a) "School" means a public or nonpublic school. "School" 18
excludes home instruction as authorized under section 3321.04 of 19

the Revised Code. 20

(b) "Public school" includes schools of a school district, 21
STEM schools established under Chapter 3326. of the Revised Code, 22
community schools established under Chapter 3314. of the Revised 23
Code, and educational service centers established under section 24
3311.05 of the Revised Code. 25

(c) "Nonpublic school" means a nonpublic school for which the 26
state board of education has issued a charter pursuant to section 27
3301.16 of the Revised Code and prescribes minimum standards under 28
division (D)(2) of section 3301.07 of the Revised Code. 29

(2) Houses used exclusively for public worship, the books and 30
furniture in them, and the ground attached to them that is not 31
leased or otherwise used with a view to profit and that is 32
necessary for their proper occupancy, use, and enjoyment; 33

(3) Real property owned and operated by a church that is used 34
primarily for church retreats or church camping, and that is not 35
used as a permanent residence. Real property exempted under 36
division (A)(3) of this section may be made available by the 37
church on a limited basis to charitable and educational 38
institutions if the property is not leased or otherwise made 39
available with a view to profit. 40

(4) Real property owned or occupied by a church and used 41
primarily as a child day-care center, provided that the total 42
income received by the church from the operation of the day-care 43
center, before accounting for any cost or expense incurred in the 44
operation of the center, does not exceed thirty thousand dollars 45
for the tax year. 46

(5) Public colleges and academies and all buildings connected 47
with them, and all lands connected with public institutions of 48
learning, not used with a view to profit, including those 49
buildings and lands that satisfy all of the following: 50

(a) The buildings are used for housing for full-time students 51
or housing-related facilities for students, faculty, or employees 52
of a state university, or for other purposes related to the state 53
university's educational purpose, and the lands are underneath the 54
buildings or are used for common space, walkways, and green spaces 55
for the state university's students, faculty, or employees. As 56
used in this division, "housing-related facilities" includes both 57
parking facilities related to the buildings and common buildings 58
made available to students, faculty, or employees of a state 59
university. The leasing of space in housing-related facilities 60
shall not be considered an activity with a view to profit for 61
purposes of division (A)~~(4)~~(5) of this section. 62

(b) The buildings and lands are supervised or otherwise under 63
the control, directly or indirectly, of an organization that is 64
exempt from federal income taxation under section 501(c)(3) of the 65
Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as 66
amended, and the state university has entered into a qualifying 67
joint use agreement with the organization that entitles the 68
students, faculty, or employees of the state university to use the 69
lands or buildings; 70

(c) The state university has agreed, under the terms of the 71
qualifying joint use agreement with the organization described in 72
division (A)~~(4)~~(5)(b) of this section, that the state university, 73
to the extent applicable under the agreement, will make payments 74
to the organization in amounts sufficient to maintain agreed-upon 75
debt service coverage ratios on bonds related to the lands or 76
buildings. 77

(B) This section shall not extend to leasehold estates or 78
real property held under the authority of a college or university 79
of learning in this state; but leaseholds, or other estates or 80
property, real or personal, the rents, issues, profits, and income 81
of which is given to a municipal corporation, school district, or 82

subdistrict in this state exclusively for the use, endowment, or support of schools for the free education of youth without charge shall be exempt from taxation as long as such property, or the rents, issues, profits, or income of the property is used and exclusively applied for the support of free education by such municipal corporation, district, or subdistrict. Division (B) of this section shall not apply with respect to buildings and lands that satisfy all of the requirements specified in divisions (A)~~(4)~~(5)(a) to (c) of this section.

(C) For purposes of this section, if the requirements specified in divisions (A)~~(4)~~(5)(a) to (c) of this section are satisfied, the buildings and lands with respect to which exemption is claimed under division (A)~~(4)~~(5) of this section shall be deemed to be used with reasonable certainty in furthering or carrying out the necessary objects and purposes of a state university.

(D) As used in this section:

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

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

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

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

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

(c) The state university that is a party to the agreement 113
reported to the Ohio board of regents that the university 114
maintained a headcount of at least twenty-five thousand students 115
on its main campus during the academic school year that began in 116
calendar year 2003 and ended in calendar year 2004. 117

Section 2. That existing section 5709.07 of the Revised Code 118
is hereby repealed. 119

Section 3. The amendment by this act of section 5709.07 of 120
the Revised Code applies to tax years ending on or after the 121
effective date of this act. 122