



Ohio Revised Code

Section 5709.121 Exclusive charitable or public purposes defined.

Effective: October 24, 2024

Legislation: Senate Bill 98

(A) Real property and tangible personal property belonging to a charitable, religious, or educational institution or to the state or a political subdivision, shall be considered as used exclusively for charitable or public purposes by such institution, the state, or political subdivision, if it meets one of the following requirements:

(1) It is used by such institution, the state, or political subdivision, or by one or more other charitable, religious, or educational institutions, the state, or political subdivisions under a lease, sublease, or other contractual arrangement:

(a) As a community or area center in which presentations in music, dramatics, the arts, and related fields are made in order to foster public interest and education therein;

(b) As a children's, science, history, or natural history museum that is open to the general public;

(c) For other charitable, educational, or public purposes or used for public worship.

(2) It is made available under the direction or control of such institution, the state, or political subdivision for use in furtherance of or incidental to its charitable, educational, or public purposes or for public worship and not with the view to profit.

(3) It is used by an organization described in division (D) of section 5709.12 of the Revised Code. If the organization is a corporation that receives a grant under the Thomas Alva Edison grant program authorized by division (C) of section 122.33 of the Revised Code at any time during the tax year, "used," for the purposes of this division, includes holding property for lease or resale to others.

(B)(1) Property described in division (A)(1)(a) or (b) of this section shall continue to be considered as used exclusively for charitable or public purposes even if the property is conveyed through one conveyance or a series of conveyances to an entity that is not a charitable or educational institution



and is not the state or a political subdivision, provided that all of the following conditions apply with respect to that property:

(a) The property was listed as exempt on the county auditor's tax list and duplicate for the county in which it is located for the tax year immediately preceding the year in which the property is conveyed through one conveyance or a series of conveyances;

(b) The property is conveyed through one conveyance or a series of conveyances to an entity that does any of the following:

(i) Leases at least forty-five per cent of the property, through one lease or a series of leases, to the entity that owned or occupied the property for the tax year immediately preceding the year in which the property is conveyed or to an affiliate of that entity;

(ii) Contracts, directly or indirectly to have renovations performed as described in division (B)(1)(d) of this section and is at least partially owned by a nonprofit organization described in section 501(c)(3) of the Internal Revenue Code that is exempt from taxation under section 501(a) of that code.

(c) The property includes improvements that are at least fifty years old;

(d) The property is being renovated in connection with a claim for historic preservation tax credits available under federal law;

(e) All or a portion of the property continues to be used for the purposes described in division (A)(1)(a) or (b) of this section after its conveyance; and

(f) The property is certified by the United States secretary of the interior as a "certified historic structure" or certified as part of a certified historic structure.

(2) Notwithstanding section 5715.27 of the Revised Code, an application for exemption from taxation of property described in division (B)(1) of this section may be filed by either the owner of the property or an occupant.



(C) For purposes of this section, an institution that meets all of the following requirements is conclusively presumed to be a charitable institution:

(1) The institution is a nonprofit corporation or association, no part of the net earnings of which inures to the benefit of any private shareholder or individual;

(2) The institution is exempt from federal income taxation under section 501(a) of the Internal Revenue Code;

(3) The majority of the institution's board of directors are appointed by the mayor or legislative authority of a municipal corporation or a board of county commissioners, or a combination thereof;

(4) The primary purpose of the institution is to assist in the development and revitalization of downtown urban areas.

(D) For purposes of division (A)(1)(b) of this section, the status of a museum as open to the general public shall be conclusive if the museum is accredited by the American alliance of museums or a successor organization.

(E)(1) Qualifying real property owned by an institution that meets the following requirements shall be considered as used exclusively for charitable purposes, and the institution shall be considered a charitable institution for purposes of this section and section 5709.12 of the Revised Code:

(a) The institution is an organization described under section 501(c)(3) of the Internal Revenue Code and exempt from federal income taxation under section 501(a) of the Internal Revenue Code.

(b) The institution's primary purpose is to acquire, develop, lease, or otherwise provide suitable housing to individuals with developmental disabilities.

(c) Unless otherwise provided by division (E)(3) of this section, the institution receives at least a portion of its funding from one or more county boards of developmental disabilities to assist in the institution's primary purpose described in division (E)(1)(b) of this section.



(2) As used in division (E) of this section, "qualifying real property" means real property that is used primarily in one of the following manners:

(a) The property is used by the institution described in division (E)(1) of this section for the purpose described in division (E)(1)(b) of this section.

(b) The property is leased or otherwise provided by the institution described in division (E)(1) of this section to individuals with developmental disabilities and used by those individuals as housing.

(c) The property is leased or otherwise provided by the institution described in division (E)(1) of this section to another charitable institution, and that charitable institution uses the property exclusively for charitable purposes.

(3) The requirement prescribed by division (E)(1)(c) of this section shall be considered to be met if: (a) the institution contracts with an entity that receives at least a portion of its funding from one or more county boards of developmental disabilities; (b) the contracted entity performs services for individuals who lease the property for use as housing; and (c) those services assist in the institution's primary purpose described in division (E)(1)(b) of this section.

If the property owner qualifies as a charitable institution under the alternative requirements prescribed by division (E)(3) of this section, only the portion of the property that, as of the first day of January of the tax year, is either leased for use as housing by residents who are eligible to receive home and community-based services, as that term is defined in section 5123.01 of the Revised Code, or is a common area used by all residents of the property is qualifying real property and only those portions qualify for exemption from taxation.

(F)(1) Qualifying real property owned by an institution that meets all of the following requirements shall be considered as used exclusively for charitable purposes, and the institution shall be considered a charitable institution for purposes of this section and section 5709.12 of the Revised Code:

(a) The institution is either (i) an organization described under section 501(c)(3) of the Internal



Revenue Code and exempt from federal income taxation under section 501(a) of the Internal Revenue Code that has as a primary purpose to acquire, develop, lease, or otherwise provide suitable supportive housing to individuals diagnosed with mental illness or substance use disorder and to families residing with such individuals or (ii) a limited liability company or limited partnership whose controlling or managing member or partner either is an organization described in division (F)(1)(a)(i) of this section or is wholly owned by one or more such organizations.

(b) One or more of the tax-exempt organizations identified in division (F)(1)(a) of this section receives at least a portion of its funding to assist in the organization's primary purpose described in division (F)(1)(a)(i) of this section from the department of mental health and addiction services; one or more county boards of alcohol, drug addiction, and mental health services; or a local continuum of care program governed by 42 U.S.C. 11381, et seq. and 24 C.F.R. part 578.

(2) As used in division (F) of this section, "qualifying real property" means real property that is used primarily in one of the following manners:

(a) The property is used by the institution described in division (F)(1) of this section for the purpose described in division (F)(1)(a)(i) of this section.

(b) The institution (i) leases or otherwise provides the property to individuals diagnosed with mental illness or substance use disorder and to the families residing with such individuals and (ii) makes supportive services available to such individuals and families.

(c) The property is leased or otherwise provided by that institution to another charitable institution, and that charitable institution uses the property exclusively for charitable purposes.

(G)(1) For tax years 2020 to 2024, a qualifying parking garage shall be considered as used exclusively for charitable purposes for the purpose of section 5709.12 of the Revised Code if all taxes, interest, and penalties levied and assessed against any property owned by the owner and operator of the qualifying parking garage, as described in division (G)(2)(b)(i) or (ii) of this section, have been paid in full for all of the tax years preceding the tax year for which the application for exemption is filed.



(2) As used in division (G) of this section:

(a) "Nonprofit arts institution" means an institution that is exempt from federal income taxation under section 501(a) of the Internal Revenue Code and whose primary purpose is to host or present performances in music, dramatics, the arts, and related fields in order to foster public interest and education therein.

(b) "Qualifying parking garage" means any real property that is used primarily for parking motor vehicles within or on a structure and that is either (i) owned and operated by a nonprofit arts institution or (ii) owned and operated by a limited liability company whose sole member is a nonprofit arts institution.