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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

S.B. 140  
134<sup>th</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsor:** Sen. Schaffer

Chris Kelleher, Research Analyst

Corrected Version

### SUMMARY

- Removes a requirement that community schools file an annual statement after an initial application with the Tax Commissioner as a condition of retaining a property tax exemption.

### DETAILED ANALYSIS

#### Community school tax exemption applications

Under current law, recently enacted in H.B. 166 of the 133<sup>rd</sup> General Assembly, a community school seeking a tax exemption for its property is excused from the requirement to file an exemption application with the Tax Commissioner as a condition of obtaining the exemption after its initial application is approved, but must instead file an annual statement with the Commissioner affirming that it continues to qualify for the exemption. This bill discontinues this provision.

Under continuing law, property used for an educational purpose, including property used as a community school, qualifies for a property tax exemption.<sup>1</sup> To obtain a property tax exemption, a property owner, including a community school, is required to apply to the Tax Commissioner, by the last day of the taxable year for which exemption is sought, to obtain the exemption, with only a few exceptions. The Commissioner evaluates each application and decides whether to approve the exemption. If approved, the Commissioner will order the county auditor to remove the property from the tax list.

H.B. 166 changed the exemption process for a community school. Instead of being required to obtain the Tax Commissioner's approval for any year after the Commissioner

<sup>1</sup> R.C. 5709.07(A), not in the bill.

approves the initial application, a community school is excused from refiling an application for any future year, so long as the community school submits an annual statement to the Commissioner attesting that its property continues to qualify for the educational purpose exemption.

By discontinuing this provision, the bill again requires community schools to follow the same exemption application procedures applicable to other schools and most other property owners seeking a tax exemption.<sup>2</sup>

The change begins to apply in tax year 2022.<sup>3</sup>

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## HISTORY

Action	Date
Introduced	03-23-21

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<sup>2</sup> R.C. 5713.08 and 5717.27.

<sup>3</sup> Section 3.