



Ohio Legislative Service Commission

Bill Analysis

Sam Benham

H.B. 409

131st General Assembly
(As Introduced)

Reps. Green, Amstutz, Brenner, Grossman, Becker, Boccieri, Hall, M. O'Brien, R. Smith, Stinziano, Leland

BILL SUMMARY

- Exempts from property taxation a retail store operated by a charitable nonprofit housing organization that sells donated household items.

CONTENT AND OPERATION

Nonprofit housing organization retail store exemption

The bill exempts from tax certain property owned and operated by a charitable nonprofit organization that constructs or rehabilitates residences for eventual transfer to low-income families. The exemption applies to a retail store and underlying land owned by such an organization, provided the store sells only donated items suitable for residential housing purposes and the proceeds of those sales are used solely for the purposes of that organization.¹

The bill states that the exemption begins to apply in tax year 2015 (see **COMMENT**, below).²

COMMENT

Section 3 of the bill applies the bill retroactively to tax year 2015, which ended December 31, 2015. Section 28, Article II of the Ohio Constitution provides that "The General Assembly shall have no power to pass retroactive laws" This provision prohibits the General Assembly from enacting laws imposing new substantive duties

¹ R.C. 5709.12(E)(2).

² Section 3.

and obligations upon a person's past conduct and transactions. A law may run afoul of this prohibition if it impairs or takes away vested rights, affects an accrued substantive right, or imposes new or additional burdens, duties, obligations, or liabilities as to a past transaction, among other things.³

To the extent that Section 3 would cause taxing authorities to refund their property tax collections for tax year 2015, it has the potential of violating this prohibition.⁴

HISTORY

ACTION	DATE
Introduced	12-07-15

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³ *State v. White*, 132 Ohio St.3d 344 (2012).

⁴ See *Commissioners v. Rosche Bros.*, 50 Ohio St. 103 (1893); *State ex rel. Crotty v. Zangerle*, 133 Ohio St. 532 (1938); *Bd. of Educ. of the Cincinnati Sch. Dist. v. Hamilton County Bd. of Revision*, 91 Ohio St.3d (2001).

