



Ohio Legislative Service Commission

Final Analysis

Sam Benham

Am. S.B. 71

129th General Assembly
(As Passed by the General Assembly)

Sens. Manning, Schaffer, Wagoner, Widener, Bacon, Beagle, Daniels, Hite, Hughes, LaRose, Obhof, Patton

Reps. Letson, Barnes, Beck, Blessing, Boose, Fende, Goyal, Luckie, Lundy, Milkovich, Murray, Williams, Yuko

Effective date: September 15, 2011

ACT SUMMARY

- Exempts from property taxation a public recreational facility constructed in 2008 or later, owned by a municipal corporation, and used primarily by a professional minor league baseball team not affiliated with a major league team.

CONTENT AND OPERATION

Municipal minor league sports facility exemption

The act expands eligibility for a continuing property tax exemption for "public recreational facilities" – venues such as publicly owned stadiums, arenas, or similar facilities used for hosting athletic events. Under continuing law, tax-exempt facilities include those owned by a political subdivision that are managed or controlled by the subdivision, by a corporation controlled by the subdivision, or by a "county-related" corporation, and that are not used by a single private, for-profit entity for more than seven days per month or by two or more private, for-profit entities for more than 15 days per month. Also exempt are facilities that are used by a major league professional athletic team or a Class A to Class AAA minor league affiliate of a Major League Baseball team and that are owned by a political subdivision (or a corporation controlled by the political subdivision) and managed or controlled by the subdivision or corporation, or by a designee, tenant, or agent pursuant to a lease or similar agreement.¹

¹ R.C. 5709.081.

The act extends eligibility for the tax exemption to public recreational facilities (including the land) constructed in 2008 or thereafter, owned by a municipal corporation, and used primarily by a professional minor league baseball team that is not affiliated with a constituent member club of Major League Baseball. The team must use the facility pursuant to a lease, license, management agreement, or similar arrangement that requires the payment of rent, revenue, or other remuneration to the municipal corporation. The municipal corporation's "residual cash" from such remuneration, such as revenue remaining after payment of expenses to operate the facility, including payment of debt service, may be used only for the public purposes of the municipal corporation.²

Application

The act applies the exemption prospectively but authorizes abatement of unpaid taxes with respect to the facility for any tax year that may be at issue in a tax exemption application proceeding pending before the Tax Commissioner, Board of Tax Appeals, and Court of Appeals, or Supreme Court on the act's effective date.³

HISTORY

| ACTION | DATE |
|---|----------|
| Introduced | 02-10-11 |
| Reported, S. Ways and Means and Economic Development | 03-15-11 |
| Passed Senate (29-3) | 03-16-11 |
| Reported, H. Ways & Means | 05-17-11 |
| Passed House (79-16) | 05-24-11 |
| Senate concurred in House amendments (30-3) | 06-07-11 |

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² R.C. 5709.081(F).

³ Section 3.

