



Ohio Legislative Service Commission

Bill Analysis

Stephen Estelle

H.B. 165

129th General Assembly
(As Introduced)

Reps. Goodwin, Lundy

BILL SUMMARY

- Increases the portion of instant bingo revenues a veteran's, fraternal, or sporting organization may use to pay real property taxes and assessments.
- Specifies that charitable organizations may not be required to pay property taxes or assessments on property it leases from another person to conduct bingo.

CONTENT AND OPERATION

Instant bingo gross profit

The bill authorizes a veteran's, fraternal, or sporting organization to pay real property taxes and assessments charged against the property where it conducts instant bingo using any amount of its annual gross profit from the sale of instant bingo.¹ (Instant bingo gross profit equals gross revenues less prize award payments.) Currently, such organizations are restricted to using not more than 75% of the first \$250,000, and not more than 45% of the amount exceeding \$250,000, of its annual instant bingo net profits (gross profit less instant bingo supplies) to pay for "expenses," which include real property taxes and assessments.² The remainder must be used for public or charitable purposes. This change to current law potentially increases the percentage of instant bingo profits that such an organization uses to pay its expenses and, accordingly, reduces the percentage of profits that must be used for public or charitable purposes. (The \$250,000 figure above may be adjusted upward by the Attorney General

¹ R.C. 2915.01(WW).

² R.C. 2915.101 (not in the bill) and 2915.01(LL).

consistent with the consumer price index or due to circumstances unique to the organization.)

Taxes and assessments on leased real property

The bill specifies that charitable organizations may not be required to pay property taxes or assessments charged against real property it leases from another person to conduct bingo.³ This provision appears intended to forbid a lessor from requiring the charitable organization to pay a portion of property taxes and assessments as part of the lease arrangement.

HISTORY

ACTION	DATE
Introduced	03-22-11

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³ R.C. 2915.09(B)(1).

