Ohio Legislative Service Commission

Bill Analysis

Stephen Estelle

S.B. 71

129th General Assembly
(As Passed by the Senate)

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

BILL SUMMARY

- Exempts from property taxation a public recreational facility constructed in 2008 or thereafter, 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 bill expands eligibility for an existing property tax exemption for "public recreational facilities" – i.e., publicly owned stadiums, arenas, or similar facilities used for hosting athletic events. Currently, 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]

The bill 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

[1] R.C. 5709.081.

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 (i.e., 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 bill first applies the expanded exemption retrospectively to tax year 2009. The application for exemption must be filed before the first day of the second month following the month that includes the bill's effective date. (Continuing law would first apply the exemption to the tax year in which the application for exemption was filed with the Tax Commissioner.)[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

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[2] R.C. 5709.081(F).

[3] R.C. 5715.27(F).