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# OHIO LEGISLATIVE SERVICE COMMISSION

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**S.B. 285**  
**136<sup>th</sup> General Assembly**

## Bill Analysis

**Version:** As Introduced

**Primary Sponsor:** Sen. Schaffer

Mackenzie Damon, Attorney

### SUMMARY

- Exempts agricultural land converted to certain conservation uses from CAUV tax recoupment charges, until the land is no longer used for conservation.

### DETAILED ANALYSIS

#### CAUV recoupment exemption for conservation land

##### CAUV overview

Under continuing property tax law, farmland may be valued at its current agricultural use value (CAUV) – i.e., its value considering only its use as agriculture – rather than its fair market value. The CAUV formula typically results in a lower tax bill for farm owners because the land is often valued below its market value, particularly in areas where farmland is in demand for development purposes.

The CAUV program is aimed primarily at land that is actively farmed, but certain land used for conservation can also qualify for CAUV. Relevant to the bill, eligible conservation land includes land that is subject to an agricultural or natural water conservation project funded by the H2Ohio program, or that was subject to such a project and is now subject to a conservation easement held by the state or another party in connection with the H2Ohio program.

##### Recoupment charges

Continuing law requires that, if farmland is converted to a nonfarming use, it is typically subject to a recoupment charge equal to the previous three years of tax savings the farmland received because it was valued at its CAUV. However, there are a few exceptions, including for land that is acquired by local governments and used for conservation or outdoor recreation.

The bill authorizes an additional exception from the recoupment charge for land that is acquired by a conservation organization and that qualifies for a full property tax exemption

because of its use for certain environmental response projects or an H2Ohio nature water project. To qualify, the environmental response project must relate to water quality or wetlands.

When farmland is directly converted to either type of project, or when a CAUV-eligible H2Ohio water project becomes eligible for the full exemption, typically the CAUV recoupment charge would apply. Instead, the bill exempts both types of conversions occurring after the bill's 90-day effective date. However, if the land is later converted to a nonconservation use, the charge would apply at that time.<sup>1</sup>

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## HISTORY

| Action     | Date     |
|------------|----------|
| Introduced | 10-08-25 |

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ANSB0285IN-136/ts

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<sup>1</sup> R.C. 5709.09, not in the bill; R.C. 5713.34; Section 3.