



Ohio Legislative Service Commission

Bill Analysis

Wendy H. Gridley

S.B. 96

131st General Assembly
(As Introduced)

Sens. Hughes, Bacon, Beagle, Eklund, Patton, Brown, Yuko

BILL SUMMARY

- Requires property tax late payment penalties to be waived if the tax bill was sent to the mortgage lender instead of the property owner, the mortgage was recently paid off, and the lender did not notify the county auditor.
- Applies to the first tax bill due after a mortgage is paid off.

CONTENT AND OPERATION

Waiver of property tax penalty when mortgage is satisfied

The bill adds a circumstance under which a county auditor is specifically required to remit (i.e., waive) a late payment penalty when property taxes are not paid on time. The circumstance is when the tax bill is sent to the mortgage lender, not the property owner, because the lender did not notify the county auditor that the mortgage has been satisfied. The penalty waiver applies only to the first tax bill after the mortgage is satisfied.¹

Continuing law requires county auditors to waive late payment penalties under certain circumstances, including when the taxpayer is incapacitated, mail delivery fails, the county auditor or treasurer errs, or the taxpayer does not receive the bill but tries, in good faith, to obtain the bill within 30 days after the due date. In any other case of late payment, the county board of revision must waive the penalty if the board finds that the lateness is "due to reasonable cause and not willful neglect."

¹ R.C. 5715.39(B)(5).

County treasurers are required to mail property tax bills to the address provided by the property owner at least 20 days before the due date.² Address changes must be provided to the county treasurer in writing. Failure to receive a tax bill does not excuse a taxpayer from having to pay taxes on time and does not prevent the imposition of the late payment penalty. If a property owner has designated an agent to pay the taxes (e.g., a mortgage lender), the bill is to be mailed to the agent. If the agent is a mortgage lender, a bill does not have to be mailed; instead, the lender and the county treasurer may arrange for payment of the taxes directly through the lender without a bill having to be mailed.³ In any case, if taxes are not paid when due, a 10% penalty is imposed. If the outstanding amount is paid within 10 days of the due date, one-half of the penalty is waived.⁴

HISTORY

ACTION	DATE
Introduced	03-03-15

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² R.C. 323.13, not in the bill.

³ R.C. 323.134, not in the bill.

⁴ R.C. 323.121, not in the bill.

