



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Bill Analysis

Mackenzie Damon

### **H.B. 205**

132nd General Assembly  
(As Introduced)

Rep. Barnes

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### **BILL SUMMARY**

- Prohibits the tax foreclosure of a home if the homeowner is aged 65 or older, has owned and occupied the home for the past 20 years, and owes delinquent taxes on the home for five or fewer tax years.
  - Prohibits the sale of a delinquent real estate tax certificate for a home owned and occupied for at least 20 years by a person aged 65 or older.
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### **CONTENT AND OPERATION**

#### **Foreclosure protections for senior-owned homesteads**

The bill, entitled the "Senior Housing Relief Act," provides protections against tax foreclosure for senior homeowners. The protections are available to homeowners aged 65 years or older who have owned and occupied their home for at least the past 20 years.

#### **County tax foreclosure actions**

The bill prohibits a county from initiating a foreclosure action to recover delinquent taxes on a home if the homeowner is aged 65 or older, has owned the home for the past 20 years, and owes delinquent taxes on the home for five or fewer tax years.

Under continuing law, in order to recover unpaid taxes, a county treasurer may pursue foreclosure of the state's tax lien on the property. A foreclosure action against occupied property must be brought in the common pleas court of the county in which the property is located. If the property owner is unable to redeem the property, a court

will enter a judgment of foreclosure and order the property to be offered for sale at a sheriff's sale.<sup>1</sup>

### **Tax certificate sales**

The bill also prohibits county treasurers from selling delinquent real estate tax "certificates" for homes owned for the preceding 20 years by a person aged 65 or older.

Continuing law authorizes tax certificate sales with respect to most delinquent real estate. The sales enable taxing authorities to recover unpaid taxes before the ordinary tax foreclosure proceedings are concluded. A tax certificate represents a legal claim on delinquent taxes owed on real estate. The lien for the taxes is essentially transferred to a private person, who then may initiate foreclosure proceedings or request the county treasurer to initiate proceedings on the certificate owner's behalf. The certificates bear interest at a rate of up to 18% per year. As this interest charge accrues, it is added to the tax delinquency and must be paid by the property owner, in addition to the delinquent taxes and other added charges, to redeem the property and preclude foreclosure.

Under continuing law, a county treasurer may select nearly any parcel on the county's delinquent land list for a tax certificate sale. However, the treasurer may not select parcels that have been redeemed after being placed on the delinquent list, that are subject to a delinquent tax payment contract, or that are included in a bankruptcy proceeding filed by the property owner. The bill adds an additional restriction; prohibiting the treasurer from selecting property owned and occupied as a homestead for the preceding 20 years by a person aged 65 or older.<sup>2</sup>

### **Qualifying property**

The bill's protections apply to the "homestead" of the qualifying homeowner. Continuing law defines "homestead" as a dwelling, including a manufactured home or mobile home taxed as real property, that is owned and occupied as a home by an individual who resides in Ohio. The homestead includes as much of the land surrounding the dwelling, up to one acre, as is reasonably necessary for the dwelling to be used as a home. The homestead does not include a dwelling acquired from a relative, other than a spouse, for the purpose of qualifying for the exclusion.<sup>3</sup>

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<sup>1</sup> R.C. 323.25 and 5721.18.

<sup>2</sup> R.C. 5721.31.

<sup>3</sup> R.C. 323.151, not in the bill.



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## HISTORY

ACTION

DATE

Introduced

05-09-17

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