

Ohio Legislative Service Commission

Office of Research and Drafting

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H.B. 602 133rd General Assembly

Bill Analysis

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Version: As Reported by House Ways and Means

Primary Sponsors: Reps. Rogers and Lipps

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SUMMARY

- Authorizes an alternative means of publishing notices of impending property tax foreclosure actions by allowing online publication after the notice is published once in a newspaper of general circulation.
- Specifies that existing abbreviated newspaper publication procedures for government notices applies to property tax foreclosure notices.

DETAILED ANALYSIS

Publication of property tax foreclosure notices

Each year, after the final day for paying property taxes, county auditors certify to county treasurers a list of properties in the county that still have unpaid taxes or assessments. Tax-delinquent properties are assessed penalties and interest. Delinquencies, if not settled, may be enforced as a lien on the property by foreclosure in the courts or, under some circumstances, by an "expedited," nonjudicial procedure conducted by the board of revision.

Under current law, the first notice of a possible foreclosure action is by publication of a "delinquent tax list" identifying tax-delinquent parcels in a newspaper of general circulation. The publication must appear in the newspaper twice within 60 days after the county auditor certifies the list to the county treasurer. Once the list has been published, the treasurer may bring a foreclosure action against tax-delinquent property. Typically, a title search is first done to identify lienholders (such as mortgage lenders) or others with a legally enforceable interest

¹ R.C. 323.121, not in the bill.

² R.C. 323.25, 323.65 to 323.79, 5721.14, and 5721.18.

in the property. Then, notice of the impending action must be served on the property owner and on the lienholders and other interested parties by mail or in person.

Notice of the foreclosure action also must be published in a newspaper of general circulation once per week for three consecutive weeks.³ Once the third publication is made, the notice by publication is considered to be "complete." The county bears the costs of the publication and the mailed or in-person notices, but may recover the costs from the property owner (if the owner eventually pays the tax debt) or from the proceeds of the sale (if the property ultimately is sold in a tax sale).

Publishing the delinquent tax list and the notice of a foreclosure action, along with title searching and notification by mail or in person, is meant to fulfill the state's obligation under the Due Process Clause to provide notice to property owners and lienholders of an impending action that may result in the property being taken and sold.

Website publication

The bill permits counties to satisfy the foreclosure notice publication requirement by allowing the clerk of courts to publish notices only once, instead of three times, in a newspaper, and by placing the notice on the court's website or another county government website. If published online, county officials involved with property tax foreclosure proceedings, including the county treasurer, prosecuting attorney, clerk of courts, and sheriff, must select a website to publish the notice on, but if they cannot agree, selection of the website falls to the administrative judge of the court in which the action is filed.⁴

The website notice must begin to appear one week after the newspaper publication and continue to appear until one year after the foreclosure proceeding results in a judgment and finding against the property. The prosecuting attorney must file an affidavit with the court attesting to the notice's online publication two weeks after the notice is first published on the selected website, which is the time after which service by publication is considered to be "complete."⁵

Abbreviated newspaper publication

If a county continues to publish foreclosure notices exclusively in a newspaper, the bill specifies that the second and third publication may be published in an abbreviated form, as is authorized under continuing law.⁶

Under this existing abbreviated notice procedure, any state or local government notice or advertisement that is required to be published in a newspaper may be published in an

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³ R.C. 323.25, 323.69, 5721.14, and 5721.18.

⁴ This provision may alternatively be interpreted as requiring these officials to agree not only upon the website, but on whether to allow online publication at all.

⁵ R.C. 323.25(D), 323.69(C), 5721.14(C), and 5721.18(A) and (B)(1).

⁶ R.C. 323.25(D), 5721.14(C), and 5721.18(A) and (B)(1).

abbreviated form in the same newspaper after its first full publication as long as certain conditions are satisfied. For instance, the full notice or advertisement must be made available on the state public notice website (https://www.publicnoticesohio.com/) and the abbreviated publication must contain certain information, including that web address, a statement describing the purpose of the notice or advertisement, and the contact information of the official or body responsible for its publication.⁷

HISTORY

| Action | Date |
|---------------------------|----------|
| Introduced | 04-06-20 |
| Reported, H. Ways & Means | 06-11-20 |
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⁷ R.C. 7.16, not in the bill.