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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 153  
135<sup>th</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsor:** Rep. Hillyer

Mackenzie Damon, Attorney

### SUMMARY

- Provides that certain tax-foreclosed property may be transferred directly to a county land bank or political subdivision without a foreclosure sale only if the delinquent taxes due exceed the property's fair market value.

### DETAILED ANALYSIS

#### Direct transfer of properties subject to tax foreclosure

The bill modifies a law that allows certain tax-foreclosed property to be transferred directly to a county land bank or political subdivision without a foreclosure sale. The change applies to abandoned property that is subject to continuing law's expedited administrative tax foreclosure process.

#### Expedited tax foreclosures

Under continuing law, county boards of revision (BORs) are authorized to adjudicate tax foreclosure complaints on abandoned property. This administrative option is in lieu of a judicial proceeding. The option is available for property that is unoccupied and that meets certain other criteria, such as the property is not receiving utility service or being boarded up.

Under the expedited procedure, if a property owner does not respond to a foreclosure complaint filed with the BOR, the BOR may adjudicate the foreclosure within 30 days after the complaint is filed. If the property owner files an answer, the BOR must conduct a hearing between 30 and 90 days after receiving the filing. Use of this alternative procedure shortens the timeline and abbreviates the administrative steps necessary to obtain a tax foreclosure judgment.

#### Disposition of property

Upon a property's foreclosure, the BOR must order that the property be sold at auction or otherwise conveyed to a political subdivision or county land bank. In general, property may

only be transferred to a land bank or subdivision without a public sale if the delinquent taxes due and foreclosure costs exceed the property's fair market value. Otherwise, the property must be offered at a public sale.

However, current law authorizes an exception to this rule. A county may invoke an "alternative redemption period," which shortens the time within which a property owner may redeem the property by paying the delinquent taxes and foreclosure costs. When a county invokes the alternative redemption period, and the property owner does not respond within 28 days, the county may transfer the property directly to a land bank or subdivision, without a public sale – even if the property's fair market value exceeds the delinquent taxes due. When such a transfer occurs, the tax lien is extinguished.

### **New requirement for direct transfer**

The bill removes this exception. Under the bill, a county may only invoke the alternative redemption period and transfer abandoned property without a public sale if the total tax delinquency, including foreclosure costs, exceeds the property's fair market value. Any property with a fair market value greater than the amount of delinquent taxes must be offered at a public sale.<sup>1</sup>

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## **HISTORY**

Action	Date
Introduced	04-18-23

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ANHB0153IN-135/ts

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<sup>1</sup> R.C. 323.71, 323.78, and 5721.20.