



## Office of Representative John E. Barnes, Jr.

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Thank you, Chair Dever, Vice Chair Sprague, Ranking Member Smith, and my esteemed colleagues in the Financial Institutions, Housing, and Urban Development Committee for the opportunity to give sponsor testimony on House Bill 205, also known as the “Senior Housing Relief Act”.

House Bill 205 will:

- prohibit county treasurers from selling delinquent real estate tax "certificates" for parcels owned and occupied as a homestead for the preceding 20 years by a person aged 65 or older.

We know that retirees whom have paid into that system for twenty to thirty years should not become victims to their government.

Existing 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. The interest rate is set by either bid (for auctioned certificates, with the lowest rate bid the winner) or by negotiation (for private sales). The interest accrues until the certificate is redeemed, either by the holder initiating foreclosure or the delinquent taxes being paid.

Under current 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.

Current 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.

Thank you again for this opportunity, I would be happy to answer any questions.