

May 19, 2020

Ohio House of Representatives

Ways and Means Committee

Proponent Testimony on House Bill 602

Good afternoon Chairman Merrin, Vice Chair LaRe, and Ranking member Representative John Rogers. I am Maureen G. Kelly, Clerk of Courts in Lake County and I am delighted to have this opportunity to speak to you today regarding HB 602. I am proud to be serving my twelfth year (third term) in an elected position which I find both challenging and rewarding on a daily basis. In addition, I am President elect of the Ohio Clerks of Court Association.

The Court as well as my office deal with every aspect of a large numbers of foreclosures we receive including bank/mortgage company-initiated foreclosures and government –initiated foreclosures due to delinquent taxes. We have also seen experienced tax certificate (third party) sales. Besides it being a tragic loss for so many citizens, it is a complicated and costly process with many moving parts

The process for a bank or mortgage company foreclose is different than the process for a tax foreclosure. In a bank or mortgage company foreclose on a property that is filed as a civil suit, the person filing the suit pays a filing fee and a deposit, which is required upfront for the payment of the many large and small costs related to the case. Funds are dispersed for:

- A Preliminary Judicial Report (PJR).
- The cost of three appraisers who set the value of the property.
- The cost of service notifying the property owners of the action being taken;
- Publication of the lawsuit which is the largest expense.

In the case of *IN REM* or tax foreclosures, the County Treasurer certifies the number of properties with delinquent taxes to the County Prosecutor, who proceeds with a foreclosure action if a payment arrangement cannot be reached. No upfront payment is forthcoming to cover the court costs associated with the foreclosure, including the cost of publication.

Currently, publication is required in a newspaper of general circulation and appears for a three week period. Although, in Lake County, we are blessed to have daily newspaper service, that is changing for many of my colleagues. With the move toward online court dockets and electronic filing, it is not a stretch that online posting should be considered as a viable means to meet the requirement. Generally, the publication material is forwarded to the local paper in an electronic format. A random selection of ten cases filed in Lake County found that the average cost of publication is over \$600.00

The change proposed in House Bill 602 requires that only the first of the three required publications be in print format in a newspaper and the remaining publications be posted on the Clerk of Courts website. Speaking for both myself and the Ohio Clerks of Court Association, we have no opposition to the change from print publication to online publication but suggest that an alternate website be the vehicle for the posting for the online notification.

It is our recommendation that the notice of tax foreclosure be posted on either the county prosecutor's website or the county sheriff website. Since the Prosecutor initiates the case and is responsible for the preparation of the notice, their website may be appropriate but is not a location where a citizen may be likely to see the notification. The Sheriff's website is the most likely alternative as their website is where citizens are accustomed to looking for information of that nature.

Thank you for this opportunity to speak before you today. I hope my remarks will be of some value to the decision making before you. I am happy to answer any questions.