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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 85  
135<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 85's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsor:** Rep. Patton

**Local Impact Statement Procedure Required:** Yes

Russ Keller, Senior Economist

### Highlights

- The bill gives advantages to land banks that will likely increase the amount of property they acquire. Since land banks do not incur property taxes for the duration they hold the property, local jurisdictions would forgo revenue that would otherwise be charged to owners that were not exempt from real property taxes.
- The amount of local revenue lost under the bill is indeterminate, as it depends on the incidence of future property acquisitions that are made possible by the methods in this bill.

### Detailed Analysis

The bill authorizes two new methods by which land banks may acquire property. The first allows land banks to purchase tax-foreclosed property before it is offered for public sale, subject to specified conditions. The second allows land banks to exercise a right of first refusal to purchase property sold to another bidder at a foreclosure sale.

Land banks pay delinquent property taxes when they acquire a property, but once they assume ownership, no property taxes are charged while the land bank holds the property. To the extent that the bill enables land banks to acquire properties that private owners would otherwise purchase, the bill creates a revenue loss to school districts and other local taxing jurisdictions.

### Background

Ohio law authorizes the creation of land bank programs to facilitate the reutilization of nonproductive land. A political subdivision may organize its own land bank program or a county may designate a nonprofit entity, or "county land reutilization corporation" (CLRC), to operate a land bank on its behalf. In either case, the goal of the land bank is to acquire nonproductive and tax-delinquent land and return it to productive use.

Under existing law in R.C. 5722.11, all lands acquired and held by an electing subdivision pursuant to the Land Reutilization Program Law is deemed real property used for a public purpose and is exempt from property taxes until sold.