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HB 375 – Sponsor Testimony

Chairman Swearingen, Vice Chairman Santucci, Ranking Member Upchurch, and esteemed colleagues of the House Economic and Workforce Development Committee – thank you for allowing me to speak about House Bill 375, which updates laws regarding tax foreclosures and county land reutilization corporations, also known as land banks. Put simply, this bill is intended to make the land bank process more efficient and more effective at taking underutilized and blighted properties throughout Ohio and making them productive.

Land banks are an additional tool in Ohio's toolbelt to help address both our states' housing crisis and promote economic development in Ohio. They can take tax delinquent properties and/or abandoned properties that have been abandoned and vandalized in some cases and turn them into properties that will be utilized by a new owner. These revitalized properties that may have at one point been the abandoned and vandalized eyesore on the corner of the street and make it a gem to be lived in by a happy young family.

Land banks take nonproductive land and return it to a better state so it can then be utilized by a new owner and become a value to the community, not a burden to it. I'm sure that we have all seen that one abandoned home in our neighborhood or community that no-one seems interested in buying. It seems to have been in its current dilapidated state for as long as you can remember. Land banks are a resource, they are not the only resource, but they are one that can turn that property around and put it into better hands.

This is not the first time that this bill and many of its changes have been brought before the Ohio General Assembly. Senate Bill 112 of the 134th General Assembly contained many of these changes and passed unanimously out of the Senate. I would like to thank Senator Dolan for the hard work he put into SB 112 and Representative Merrin for his hard work on this bill when it was in the House Ways and Means Committee last General Assembly. The only reason that this bill is not already law, is simply because of time.

I would like to take this time to highlight a few of the updates that this bill makes to the tax foreclosure and land bank process:

1. The bill extends the authorization to make safety and environmental inspections on delinquent abandoned property during a tax foreclosure under the supervision of the Court. This would limit unwholesome

speculation by having an inspection report available as to the condition of a property at the time of a sheriff's sale.

2. The bill conforms the sheriff sale process to a recent U.S. Supreme Court decision (Tyler v Hennepin County) to give owners and interest holders of foreclosed properties an absolute right to expose their property to a Sheriff sale.
3. The bill enables a board of county commissioners to provide supplemental funding for land banks upon sale of a property from a land bank to a responsible property owner, and back on the tax duplicate by a county land bank. Commissioners may choose to authorize up to fifty percent (50%) of future real estate taxes be paid to the county's land reutilization fund as a Payment in Lieu of Taxes (PILOT) for up to five (5) years.

HB 375 is improvement on a system that is already serving Ohio communities. Our goal here is to make this system better, for both prospective property owners and developers as well as to the benefit of the surrounding community.

I would like to first thank my joint sponsor, Representative Patton. I appreciate him lending his expertise on Land Banks to this bill and being a great colleague and friend, generally.

Thank you, Chairman Swearingen, Vice Chairman Santucci, Ranking Member Upchurch, and my friends on the House Economic and Workforce

Development Committee for hearing our testimony today. We look forward to answering any question you may have.