

To: Chairman Bill Roemer, Vice Chair Jack Daniels, Ranking Minority Member Dan Troy and Members of the House Ways & Means Committee

From: Angie Maki-Cliff, Ashtabula County Treasurer

Subject: Testimony as Proponent of Senate Bill 186

Dear Chairman Romer, Vice Chair Daniels, Ranking Member Troy and Members of the Ways and Means Committee,

Good Morning. My name is Angie Maki-Cliff, I am the Ashtabula County Treasurer. I have served on both the County Treasurer's Association of Ohio Legislative Committee and the Ohio Land Bank Association's Lobbying and Advocacy Committee. I am here today to provide proponent testimony for Senate Bill 186 on behalf of the CTAO. Thank you for your time and providing me with the opportunity to address you today.

As I begin, I would like to share a pertinent story that underscores the importance of this proposed legislation.

In October 2021, having served as Treasurer for just a month and a half, I encountered a situation that shed light on a critical issue addressed by Senate Bill 186. I had sent a 30-day notice to a delinquent taxpayer, prompting him to reach out for clarification. To my astonishment, I discovered that the individual in question was a disabled veteran who had been essentially homeless for several years. In an act of generosity, a "good Samaritan" had gifted him a home. The property transfer, however, lacked the involvement of legal professionals or a title agency; it was a simple transaction with a quitclaim deed and a stamp in the Auditor's Office.

The heart of the issue lies in the fact that along with the property, the recipient unknowingly inherited thousands of dollars in delinquent taxes. This debt was transferred to him upon receiving the property. If not for Community Action and the foreclosure prevention program, this man may have found himself homeless once again. This case highlights the necessity for Senate Bill 186 and stopping the ability to simply transfer debt.

In another example, on December 1, 2023 a gentleman was living in and purchased a home using every penny he had from what he thought was a trusted family member. Unbeknownst to him, the home was in active tax foreclosure due to delinquent real estate taxes at the time of the sale. On January 31, 2024, less than two months after he became a home owner, his home was sold at sheriff sale. This situation, like the first one I shared, has a happy ending, as the investor that purchased the home worked with the man and his family to allow them to maintain residence and regain ownership, however, not countless families I encounter are not this fortunate. Senate Bill 186 is essential in preventing debt transfer and protecting uninformed buyers from becoming victims in real estate transfers.

As the Treasurer for Ashtabula County, which encompasses just over 78,000 separate parcels of real property, I have observed a concerning trend. In 2023 the Ashtabula County Auditor's office processed 5,030 total conveyances, approximately 4,050 real estate, 132 of these or 3.25% of the real property conveyances were transferred with property tax delinquency. This number has doubled each year since 2020. Of these transfers, due to current legislation, zero manufactured homes were conveyed where a delinquency existed, however, there is currently no such safeguard for real property or real property transfers.

Senate Bill 186 proposes crucial reforms that will rectify the current system's pitfalls, protecting vulnerable individuals like the disabled veteran mentioned earlier. By addressing the transfer of delinquent tax responsibilities more effectively, this legislation will ensure a fair and transparent process for property recipients.

I would also like to address another key component of Senate Bill 186, which is another crucial issue that requires your consideration – preventing the transfer of title to properties purchased at a sale to individuals or entities with at least a 10% interest in properties, without an affidavit confirming the absence of delinquent property taxes in the county.

As I prepared to address this specific point, I conducted a comprehensive query of all delinquent parcels in Ashtabula County owned by LLCs. What I discovered was alarming. By cross-referencing these LLCs against businesses with the same owner(s) listed by the Ohio Secretary of State, I noticed multiple owners with multiple LLC's. One LLC, in particular, stood out with over 100 business names associated with it. The individuals or entities with interests in these businesses could potentially have delinquent properties and continue to make purchases in our county without addressing their existing tax obligations. This practice is akin to maxing out a credit card and simply obtaining a new one with no intention of repayment.

The current lack of restrictions allows individuals or entities with multiple business interests to accumulate delinquent land without being held accountable. Senate Bill 186 seeks to address this issue by requiring an affidavit stating that the person or entity seeking title transfer does not own property in the county against which delinquent taxes are assessed.

By implementing these safeguards, Senate Bill 186 aims to curtail the detrimental practice of accumulating delinquent properties without accountability. This is not only a matter of fiscal responsibility but also a means to prevent the exploitation of the system, again, akin to acquiring a new credit card to avoid settling existing debts.

I urge the Ways and Means Committee to recognize the importance of this aspect of Senate Bill 186 and consider the positive impact it will have on ensuring fair and responsible property transactions in our county. I encourage you to support Senate Bill 186 and contribute to the well-being of our community members.

Thank you for your time and consideration and I'm happy to answer any questions you may have.