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OHIO HOUSE WAYS AND MEANS COMMITTEE

SB 186 - PROPONENT TESTIMONY (written only)

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Good afternoon, Chair Roemer, Vice Chair Daniels, Ranking Member Troy, and members of the House Ways and Means Committee. Thank you for the opportunity to submit proponent testimony on Senate Bill 186. We appreciate the leadership of the bill sponsors, Senators Bill Blessing and Catherine Ingram, for bringing this legislation forward. This legislation was approved by the Senate by a vote of 32 – 1.

Although the overall level of tax delinquency is much lower today than a decade ago, counties are finding that certain investors continue to purchase properties at tax foreclosure sales while refusing to pay tax on properties they already own. Then these investors allow the newly acquired properties to become tax delinquent over time. These actions defeat the purpose of auctioning properties after foreclosure, which is to find a responsible owner who is willing to invest in the property and return it to the tax list. An increase in tax delinquency removes funding for county services and creates an administrative burden for the county, which must turn around and pursue tax foreclosure proceedings if the delinquent situation is not resolved.

The bill adds a much-needed guardrail to the tax foreclosure sale process by requiring a purchaser to present an affidavit stating that the purchaser does not have a tax delinquency on existing properties as stated by the county treasurer. This requirement also applies to any LLC in which the purchaser owns a 10% or greater ownership stake. It should be noted that a purchaser who enters into a tax delinquent payment contract with a treasurer is still considered to be in good standing and would be eligible to complete a purchase.

The provisions of the bill are good public policies that support local government and will act as a deterrent to bad actors who are attempting to acquire more properties. CCAO urges the committee to favorably report SB 186.

