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County of Summit

Senate Bill 186
Written Proponent Testimony
January 24, 2024

Chairman Blessing, Vice Chair Roegner, Ranking Member Smith, and members of the committee, I am Summit County Fiscal Officer Kristen M. Scalise, CPA, CFE and I thank you for the opportunity to provide written testimony in support of SB 186. This bill requiring delinquent and current property taxes to be paid before a parcel of real property is sold or subdivided will provide much needed relief for residents of Summit County as well as all Ohioans.

Currently, property owners who do not pay, and do not *intend* to pay their taxes, can continue to acquire as many delinquent and hazardous properties they desire with the sole goal of financially exploiting the parcels as well as the residents who live there. There is never an intention of rehabbing the home or even providing necessities of life for the tenants. These “slumlords” perpetuate the cycle of exploiting low-income residents as well as not paying their fair share of taxes which fund the very communities in which these properties are located. One such individual who has mastered the art of acquiring delinquent parcels to exploit residents and avoid paying taxes is Gary Thomas.

Gary Thomas acquires and distributes his properties between LLCs utilizing several names, often corresponding them with someone or something in his personal life, but all the time with the purpose of making them difficult to track. In every circumstance, he maintains actual control and financial benefit over the properties regardless of how they are titled or who is perceived to control them.

In June of 2015 my office met with Gary Thomas to discuss his delinquent properties and give him the opportunity to sign delinquent contracts for his properties. By July of 2015, Gary had ceased communication with my office as we were requesting validation of his delinquent properties alongside the down payment. As of October of that same year, approximately 98 parcels were certified as delinquent with \$517,000 in delinquent balance, \$130,000 in Tax Leins sold with a valuation of \$3,327,800.

On January 1, 2016, my office began an investigation and a close monitoring of his properties. An initiative was created with the Summit County Land Bank to execute a plan for mass foreclosure.

One year later we had tracked approximately 114 certified delinquent properties under 11 distinct LLC's, \$638,390 in delinquent balance, and \$185,990 taxes total sold in Lien sale. In June of that year Gary Thomas, at a peak, had approximately 151 properties with delinquencies surpassing \$1,000,000. An initiative for tax foreclosure was filed on approximately 74 certified



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delinquent parcels, totaling delinquencies of \$825,500. The following July, on the 10th, an attorney representing Gary Thomas contacted us, stating that Gary Thomas would like to enter a delinquent contract agreement. We declined due to our previous attempts to do so being ignored.

On July 19th the Summit County Land Bank held delinquent tax community meeting initiatives to inform tenants of our initiative and give them an opportunity to become property owners once the Summit County Land Bank acquired the properties through sheriff sale.

At his peak, Gary Thomas maintained at least 9 LLCs, with some properties under his son's name directly, with 98 properties split between them, with \$517,098.87 in delinquent tax, a tax lien amount of \$130,915.18, and a fair market value of \$3,327,870.

Gary's self-admitted business model is to not pay taxes and to use that money to buy more property. "I've got several other properties – some I pay taxes on, some I don't," Thomas said in 2018, explaining that he'd rather invest his money and pay 18% penalties to third-party debt collectors than pay taxes when they're due.' Adding further, "it's not illegal to not pay your taxes." ¹

The Akron Beacon Journal has published many articles detailing the hazardous conditions of these properties. Unsafe stairs, water damaged floors and ceilings, stripped flooring, holes in outer walls leading to openings for animals to enter, live and exposed wires, tape on crumbling walls for support, and unsecured load bearing walls are just a start to covering the dangers within properties owned and operated by Gary Thomas and associates. There have been injuries related to the conditions within the properties, one case even leading to a broken foot.

If a tenant takes legal action or seeks to protect their rights against Gary, they are often met with an eviction proceeding or other various retaliatory actions. Regardless of the lease type or agreement made, the only consistent goals of people like Gary Thomas are acquiring properties they can financially exploit, and not paying taxes.

I thank the committee for the chance to provide proponent testimony for SB186. I urge speedy passage of the bill in hopes that it brings relief for vulnerable property owners exploited by people such as Gary Thomas as well as forcing all property owners to pay their fair share of taxes.

¹ "Why is it so hard to crack down on some landlords who won't make repairs or pay taxes?", Doug Livingston, Akron Beacon Journal, November 16, 2023.