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HB 493 Ban Profiting off Foreclosures Sponsor Testimony Before the Ohio Local Government Committee Oct 15, 2025

Chair King, Vice Chair Kishman, Ranking Member Sims, and members of the House Local Government Committee, thank you for the opportunity to testify on HB 493. No one should profit off the foreclosure of a home. No one. This legislation, which I am grateful to have Ways & Means Ranking Member Rep. Troy on as a joint sponsor, says point blank that the selling of delinquent tax certificates will end by Jan 1, 2027.

Many counties have ended this practice, but many still participate in the selling of delinquent tax certificates. How it works, if you have a \$5,000 delinquency for example, the county may try to work through the normal collection procedures with you, or they may sell that \$5,000 debt to a third-party corporation. The corporation then owns your debt and the ability to foreclose. They often add high interest rates and fees, balloon payments and bad payment structures, and are incentivized to foreclose with the ability to gain the property for pennies on the dollar.

There is a taxpayer-friendly process which occurs now between the County Treasurer and the delinquent taxpayer. This process involves payment plans, notice and certainty, and having an elected official to be your local contact.

I first testified before the Ohio House in 2017 as a member of the Payday Loan Reform Coalition to push then Rep. Koehler's HB 123 to move Ohio into a more consumer friendly place for our payday loan laws. I remember even back then being told about the tax delinquent certificate industry and thinking, one day, that system needs reformed too.

Fast forward eight years, and our property tax system is in crisis, tax

delinquencies are through the roof, and those falling victim to these profit schemes are growing. In Ohio, actual foreclosures of owner-occupied homes by the County Treasurer occur infrequently. But, when a foreclosure does happen, more often than not it is through the sale of a tax delinquent certificate.

This bill is not a silver bullet for our property tax crisis, but as I have been saying, it is another step in reforms that are needed. We must address our foreclosure process and system as we tackle other aspects of property taxes.

I am happy to take questions and am grateful for the opportunity to testify.