



Senator Andrew O. Brenner – 19th District
Senate Judiciary Committee
April 2nd, 2025
Senate Bill 135 – Sponsor Testimony

Chair Manning, Vice Chair Reynolds and Ranking Member Hicks-Hudson, thank you for the opportunity to provide sponsor testimony on Senate Bill 135, a reintroduction of Senator Hackett's Senate Bill 25 from the previous General Assembly with a few minor changes I will touch in my testimony.

Property values in an area with a foreclosed property decrease the longer that property sits in the court or sale system. The best possible outcome is that a foreclosed property is sold for the highest value as quickly as possible, all while protecting the owner's rights and completing the sale in a timely manner. In doing so, the county receives payment for all costs associated with the foreclosure and property taxes remain current.

After the economic downturn in 2008-09, we enacted foreclosure reforms to address a significant backlog of properties going through the courts. A primary change was to permit what are called private selling officers (PSOs) to sell foreclosed property in lieu of the county sheriff. These PSOs are Ohio licensed realtors, auctioneers and residents of the state. These previous reforms have had a positive impact on processing foreclosures.

A few of the key foreclosure issues addressed in SB 135 include:

- SB 135 would give judgement creditors the ability to use a private selling officer, instead of the sheriff, to sell foreclosed property in uncontested claims. PSOs market the property in the best possible manner to ensure potential buyers know the true value of the home. PSOs take photographs, post to local listing services, manage information through multiple websites, and conduct email and social media outreach to help sell the foreclosed property. Under SB 135, these PSOs are required be unaffiliated with a mortgagee or mortgage servicer.
- SB 135 allows the county sheriffs to continue to appoint three individuals to appraise foreclosed property but makes a few important changes. Instead of selecting a "freeholder" or someone who simply owns property in the county these individuals must be either a licensed real estate professional or licensed appraiser. In addition, these appraisals are due

back within 14 days rather than 21 days simultaneously to the sheriff and the PSO. If the appraised value is not returned in this timeframe those individuals do not get paid and the value defaults to the county auditor's appraised value. This will greatly speed up the foreclosure process.

- SB 135 would require only the first week of advertising to be in the local newspaper. The county can then advertise the second and third publications on their website for free. The currently required newspaper advertising costs over all three weeks only add to the property owner's costs without providing any real value to the process.
- Finally, SB 135 would require that auction management systems shall display all bids upon the entry of the bidder so that others know whether they have been outbid and can bid again on the property.

To that end the primary goals of SB 135 are:

- (1) Help obtain the highest sale price for foreclosed property and help property values around the state - For every mortgage or tax foreclosed property, there are dozens of surrounding properties and owners that lose property value until a 3rd party purchase. Banks do not want these properties to sit in their real estate owned departments, so making the property more attractive to third party buyers will improve the process.
- (2) Lower the cost and time it takes to sell/buy a foreclosed property. Previous reforms put foreclosure sales online to encourage more third-party buyers. The longer a foreclosed property lingers in the process, the more likely it is to become vacant or abandoned thus creating additional community problems.
- (3) Bring in outstanding local taxes due on foreclosed properties – The longer properties remain in the foreclosure process, the longer it takes counties to collect the tax dollars used for police, fire, emergency personnel, local and county administration and schools.

Since a lot of work went into the development of this legislation over the last few years it's my hope the committee can move through hearings over the next few weeks and move the legislation out of the Senate in early May.

Chairman Manning and members of the committee, thank you for allowing me to provide testimony on SB 135. I am happy to answer any questions you may have.