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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 493  
(1\_136\_1934-2)  
136<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 493's Bill Analysis](#)

**Version:** In House Local Government

**Primary Sponsors:** Reps. D. Thomas and Troy

**Local Impact Statement Procedure Required:** Yes

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### Highlights

- The bill prohibits the sale and transfer of new delinquent property tax certificates for certain agricultural parcels and owner-occupied primary residences after 2026. The bill is expected to reduce property tax revenues for local governments, but it has no fiscal effect on the state.

### Detailed Analysis

The bill prohibits county treasurers from selling or delivering new delinquent property tax certificates for agricultural parcels and owner-occupied primary residences after December 31, 2026, unless the parcel owner consents to the sale. It also requires a certificate purchaser, before obtaining first lien position in foreclosure, to first offer the certificate to the person who held the immediately junior lien at the time of the sale. Under current law, a county may issue a certificate that transfers the government's lien for the delinquent taxes to a private party, who may then collect the delinquent taxes and enforce the lien if they are not paid. The bill does not affect certificates sold or delivered before the deadline, which may continue to be enforced under existing procedures.

The bill will reduce property tax revenues for counties that currently issue tax certificates. Beginning in 2027, counties will no longer receive the upfront payments that accelerate the distribution of delinquent tax revenue to political subdivisions. The amount of revenue loss will differ by county depending on how frequently certificates are issued. The Department of Taxation reports that total residential and agricultural property tax delinquencies and penalties totaled about \$913 million statewide in tax year 2024, but only a portion of these delinquencies are issued as certificates, indicating that the revenue loss attributable to the bill would be smaller. Counties may also incur additional administrative costs since delinquent tax collection will occur

entirely through county processes rather than through certificate holders. The bill has no fiscal effect on the state.

## **Synopsis of Fiscal Effect Changes**

- The substitute bill (L\_136\_1934-2) allows tax certificate sales for agricultural and owner-occupied parcels with owner consent and adds a junior lienholder offer requirement for tax certificates purchasers. These changes are expected to have minimal fiscal effect on taxing authorities, as compared to the most recent version of the bill.