# As Reported by the House State and Local Government Committee

# 134th General Assembly

Regular Session 2021-2022

Sub. H. B. No. 422

# Representatives Fraizer, West

Cosponsors: Representatives Click, Creech, Ferguson, Hall, Lipps, Seitz, Stoltzfus, Ingram, Sobecki, Wiggam

#### A BILL

То	amend sections 701.10, 729.49, 735.29, and	1
	743.04 and to enact sections 319.65, 701.101,	2
	701.102, 701.20, 701.21, 701.22, 701.23, 701.24,	3
	701.25, 701.26, 729.491, 729.492, 735.291,	4
	743.041, 3745.15, 3745.151, 3745.152, 3745.153,	5
	3745.154, 3745.155, 3745.156, 3745.157,	6
	3745.158, 3745.159, 3745.1510, and 3745.1511 of	7
	the Revised Code regarding limitations on	8
	recovery and lien imposition by municipalities	9
	against property owners of non-owner-occupied	10
	properties for unpaid water, sewer, and disposal	11
	services rates and charges.	12

# BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 701.10, 729.49, 735.29, and	13
743.04 be amended and sections 319.65, 701.101, 701.102, 701.20,	14
701.21, 701.22, 701.23, 701.24, 701.25, 701.26, 729.491,	15
729.492, 735.291, 743.041, 3745.15, 3745.151, 3745.152,	16
3745.153, 3745.154, 3745.155, 3745.156, 3745.157, 3745.158,	17
3745 159 3745 1510 and 3745 1511 of the Revised Code he	1.8

enacted to read as follows:	19
Sec. 319.65. (A) As used in this section, "municipal lien"	20
means a lien certified under sections 701.10, 729.49, 735.29,	21
and 743.04 of the Revised Code.	22
(B) Additional certification required to be submitted to	23
the county auditor for a municipal lien shall consist of the	24
parcel number of the property on which the lien is requested,	25
the name of the property owner, the name of the person who	26
contracted for the service for which the lien is sought, and	27
confirmation from the person, board, or entity that certified	28
the lien and submitted the additional certification that all of	29
the information submitted to the auditor has been verified.	30
Sec. 701.10. (A)(1) The legislative authority of a	31
municipal corporation that has established a rate or charge,	32
payable to the municipal corporation, for the provision of	33
collection or disposal services for garbage, ashes, animal and	34
vegetable refuse, dead animals, or animal offal may certify to	35
the county auditor, by ordinance, the amount of the rate or	36
charge that has not been paid in accordance with applicable	37
requirements by a person using the collection or disposal	38
services, when either of the following applies:	39
(a) The unpaid amount is equal to or greater than two	40
hundred fifty dollars; or	41
(b) The unpaid amount is equal to or greater than the	42
applicable annual rate or charge imposed by the municipal	43
corporation upon the person using the collection or disposal	44
services, regardless of the actual cost incurred by the	45
municipal corporation in providing the collection or disposal	46
services.	47

(2)(2)(a) The county auditor shall place the amount	48
certified <del>shall be a lien</del> on the <del>person's <u>real</u> property to which</del>	49
services are provided, tax list and duplicate against the	50
property served by the connection if both of the following	51
occur:	52
(i) The auditor also receives from the legislative	53
authority of a municipal corporation additional certification	54
that the unpaid rents or charges have arisen pursuant to a	55
service contract made directly with an owner who occupies the	56
property served, as described in section 319.65 of the Revised	57
Code.	58
(ii) The auditor receives verification from the	59
legislative authority of a municipal corporation that the notice	60
required under section 701.102 of the Revised Code was provided	61
to the owner.	62
(b) The amount placed on the tax list in a separate	63
column, and duplicate shall be a lien on the property served from	64
the date placed on the list and duplicate and shall be collected	65
in the same manner as other taxes, and except that,	66
notwithstanding section 323.15 of the Revised Code, a county	67
treasurer shall accept a payment in such amount when separately	68
tendered as payment for the full amount of such unpaid	69
collection or disposal services. The lien shall be released	70
immediately upon payment in full of the certified amount. Any	71
amounts collected by the county treasurer under this division	72
shall be immediately paid into the general fund of the municipal	73
corporation.	74
(B) A municipal corporation that, on or before October 17,	75
2019, collected all rates or charges for such services in a	76
manner consistent with the collection of other taxes, rather	77

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than making that rate or charge payable to the municipal	78
corporation, may continue to collect amounts in such manner	79
without being subject to the limitation in division (A)(1) of	80
this section.	81
Sec. 701.101. The legislative authority of a municipal	82
corporation that has established a rate or charge for the	83
collection or disposal services described in section 701.10 of	84
the Revised Code, which has gone unpaid, may collect it by	85
actions at law in the name of the municipal corporation from an	86
owner, tenant, or other person who is liable to pay the rents or	87
charges.	88
Sec. 701.102. (A) The legislative authority of a municipal	89
corporation shall provide notice to the property owner about the	90
placement of a lien on the owner's property before the county	91
auditor places a lien pursuant to section 701.10 of the Revised	92
Code. The notice shall include a statement informing the owner	93
that the owner may file a lien appeal with the environmental	94
review appeals commission pursuant to section 3745.155 of the	95
Revised Code.	96
(B) The legislative authority shall submit verification to	97
the county auditor that the notice required by this section was	98
provided to the owner.	99
Sec. 701.20. For purposes of sections 701.20 to 701.26 of	100
the Revised Code:	101
(A) "Bring an action" means to bring a civil action under	102
sections 701.101, 729.491, 735.29, and 743.04 of the Revised	103
Code.	104
(B) "Certify a lien" means to certify a lien under	105
sections 701.10, 729.49, 735.29, and 743.04 of the Revised Code.	106

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(C) "Dwelling unit" and "tenant" have the same meanings as	107
in section 5321.01 of the Revised Code.	108
(D) "Municipal authority" means any of the following as	109
<pre>context requires:</pre>	110
(1) Board of trustees of public affairs under section	111
735.29 of the Revised Code;	112
(2) Director of public service or any other official or	113
body under section 743.04 of the Revised Code;	114
(3) Legislative authority of a municipal corporation under	115
sections 701.10, 701.101, 729.49, and 729.491 of the Revised	116
Code.	117
(E) "Municipal services" means any of the following:	118
(1) Collection or disposal services described in section	119
701.10 of the Revised Code;	120
(2) Sewerage services under section 729.49 of the Revised	121
<pre>Code;</pre>	122
(3) Water services described in Chapter 743. of the	123
Revised Code;	124
(4) Services from waterworks under section 735.29 of the	125
Revised Code.	126
(F) "Municipal services provider" means the entity created	127
or designated by the municipal authority to provide municipal	128
services.	129
(G) "Property owner" means the person who owns the	130
residential property to which municipal services are provided	131
and to whom all of the following apply:	132
(1) The person does not occupy the property.	133

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(2) The tenant or other occupant is contractually	134
responsible to pay the charges and fees imposed for the	135
municipal services.	136
(3) If the residential property consists of two or more	137
dwelling units, both of the following must be true:	138
(a) Each dwelling unit has a separate meter;	139
(b) The tenant or other occupant of each dwelling unit is	140
contractually responsible to pay the charges and fees imposed	141
for the municipal services provided to the unit in which the	142
tenant or occupant resides.	143
(H) "Termination amount" means the amount of rates or	144
charges for municipal services that when unpaid results in the	145
termination of those services under the municipal authority	146
regulations.	147
Sec. 701.21. Any person who contracts to receive municipal	148
services shall be financially responsible for paying all rates,	149
fees, charges, and costs associated with the delivery of that	150
service.	151
Sec. 701.22. (A) If a municipal authority attempts to	152
certify a lien against a property or brings an action due to	153
unpaid municipal services rates or charges, there is a	154
rebuttable presumption that amounts exceeding the termination	155
amount cannot be certified as a lien, or recovered by the	156
action, against the property owner.	157
(B) The presumption may be rebutted by any of the	158
following based on a preponderance of the evidence:	159
(1) The property owner agreed to pay all the unpaid rates	160
and charges, after having been given notice of the delinquent	161

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amount.	162
(2) The property owner occupies the residence.	163
(3) The municipal authority attempted to mitigate any	164
unpaid rates or charges by strictly adhering to its established	165
protocol for terminating service for delinquent customers.	166
(4) Any other evidence demonstrating that the municipal	167
authority mitigated the amount of unpaid rates and charges	168
before proceeding against the property owner.	169
(C) This section does not abridge or eliminate any cause	170
of action that the municipal authority may have against the	171
tenant personally, or other person liable to pay the unpaid	172
rents or charges.	173
Sec. 701.23. (A) A municipal authority may establish a	174
tenant reinstatement fee for municipal services.	175
(B) A tenant reinstatement fee may be applied if the	176
tenant requests to reestablish municipal services after such	177
services have been terminated by the municipal services provider	178
or the tenant.	179
Sec. 701.24. A municipal authority may track any unpaid	180
rates or charges owed by a person for any municipal services	181
between residential properties if both of the following are	182
<pre>true:</pre>	183
(A) A person who contracted for municipal services	184
currently has a debit or credit regarding the municipal services	185
<pre>provided to the person;</pre>	186
(B) Municipal services provided to that person have been	187
terminated at one residential property and have been established	188
at another residential property.	189

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county treasurer under this division shall be immediately placed	248
in the appropriate distinct fund.	249
(C) The legislative authority may change such rates or	250
charges from time to time as is deemed advisable. The	251
legislative authority of a municipal corporation operating under	252
a charter may establish such schedule of rates and provide for	253
its administration by designating the department or officer to	254
be charged with the enforcement of sections 729.49 to 729.52,	255
inclusive, of the Revised Code.	256
Sec. 729.491. The legislative authority of a municipal	257
corporation that has established a rate or charge for the	258
sewerage service described in section 729.49 of the Revised	259
Code, which has gone unpaid, may collect it by actions at law in	260
the name of the municipal corporation from an owner, tenant, or	261
other person who is liable to pay the rates or charges.	262
Sec. 729.492. (A) The legislative authority of a municipal	263
corporation shall provide notice to the property owner about the	264
placement of a lien on the owner's property before the county	265
auditor places a lien pursuant to section 729.49 of the Revised	266
Code. The notice shall include a statement informing the owner	267
that the owner may file a lien appeal with the environmental	268
review appeals commission pursuant to section 3745.155 of the	269
Revised Code.	270
(B) The legislative authority shall submit verification to	271
the county auditor that the notice required by this section was	272
provided to the owner.	273
Sec. 735.29. (A) The board of trustees of public affairs	274
appointed under section 735.28 of the Revised Code shall manage,	275
conduct, and control the waterworks, electric light plants,	276

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(a) The county auditor shall place the certified amount on	306
the real property tax list and duplicate against the property	307
served by the connection if he both of the following occur:	308
(i) The auditor also receives from the board additional	309
certification that the unpaid rents or charges have arisen	310
pursuant to a service contract made directly with an owner who	311
occupies the property served, as described in section 319.65 of	312
the Revised Code.	313
(ii) The auditor receives verification from the board that	314
the notice required under section 735.291 of the Revised Code	315
was provided to the owner.	316
(b) The amount placed on the tax list and duplicate shall	317
be a lien on the property served from the date placed on the	318
list and duplicate and shall be collected in the same manner as	319
other taxes, except that, notwithstanding section 323.15 of the	320
Revised Code, a county treasurer shall accept a payment in such	321
amount when separately tendered as payment for the full amount	322
of such unpaid water rents or charges and associated penalties.	323
The lien shall be released immediately upon payment in full of	324
the certified amount. Any amounts collected by the county	325
treasurer under this division shall be placed for immediate	326
distribution to the village, in the appropriate distinct fund	327
established for water rents and charges.	328
$\frac{B}{C}$ Collect them by actions at law in the name of the	329
village from an owner, tenant, or other person who is liable to	330
pay the rents or charges.	331
(E) The board shall have the same powers and perform the	332
same duties as are provided in sections 743.01, 743.05 to	333
743.07, 743.10, 743.11, 743.18, 743.24, and 735.05 to 735.09 of	334

the Revised Code, and all powers and duties relating to	335
waterworks in any of such sections shall extend to and include	336
electric light, power, and gas plants, and such other similar	337
public utilities, and such board shall have such other duties as	338
are prescribed by law or ordinance not inconsistent herewith.	339
(F) Each board that assesses water rents or charges shall	340
determine the actual amount of rents due based upon an actual	341
reading of each customer's meter at least once in each three-	342
month period, and at least quarterly the board shall render a	343
bill for the actual amount shown by the meter reading to be due,	344
except estimated bills may be rendered if access to a customer's	345
meter was unobtainable for a timely reading. Each board that	346
assesses water rents or charges shall establish procedures	347
providing fair and reasonable opportunity for resolution of	348
billing disputes.	349
(G) When property to which water service is provided is	350
about to be sold, any party to the sale or his any party's agent	351
may request the board to read the meter at that property and to	352
render within ten days following the date on which the request	353
is made, a final bill for all outstanding rents and charges for	354
water service. Such a request shall be made at least fourteen	355
days prior to the transfer of the title of such property.	356
(H) At any time prior to a certification under division	357
$\frac{A}{D}$ (D) (1) of this section, the board shall accept any partial	358
payment of unpaid water rents or charges, in the amount of ten	359
dollars or more.	360
Sec. 735.291. (A) The board of trustees of public affairs	361
shall provide notice to the property owner about the placement	362
of a lien on the owner's property before the county auditor	363
places a lien pursuant to division (D) of section 735.29 of the	364

(i) The county auditor shall place the certified amount on 386 the real property tax list and duplicate against the property 387 served by the connection if both of the following occur: 388 the (I) The auditor also receives from the director or 389 other official or body additional certification that the unpaid 390 rents or charges have arisen pursuant to a service contract made 391 directly with an owner who occupies the property served, as 392 described in section 319.65 of the Revised Code. 393

(II) The auditor receives verification from the director	394
or other official or body that the notice required under section	395
743.041 of the Revised Code was provided to the owner.	396
(ii) The amount placed on the tax list and duplicate shall	397
be a lien on the property served from the date placed on the	398
list and duplicate and shall be collected in the same manner as	399
other taxes, except that, notwithstanding section 323.15 of the	400
Revised Code, a county treasurer shall accept a payment in such	401
amount when separately tendered as payment for the full amount	402
of such unpaid water rents or charges and associated penalties.	403
The lien shall be released immediately upon payment in full of	404
the certified amount. Any amounts collected by the county	405
treasurer under this division shall be immediately placed in the	406
distinct fund established by section 743.06 of the Revised Code.	407
(b) Collect them by actions at law, in the name of the	408
city from an owner, tenant, or other person who is liable to pay	409
the rents or charges.	410
(2) The director or other official body shall not certify	411
to the county auditor for placement upon the tax list and	412
duplicate and the county auditor shall not place upon the tax	413
list and duplicate as a charge against the property the amount	414
of any unpaid water rents or charges together with any penalties	415
as described in division (A)(1)(a) of this section if any of the	416
following apply:	417
(a) The property served by the connection has been	418
transferred or sold to an electing subdivision as defined in	419
section 5722.01 of the Revised Code, regardless of whether the	420
electing subdivision is still the owner of the property, and the	421
unpaid water rents or charges together with any penalties have	422
arisen from a period of time prior to the transfer or	423

confirmation of sale to the electing subdivision;	424
(b) The property served by the connection has been sold to	425
a purchaser at sheriff's sale or auditor's sale, the unpaid	426
water rents or charges together with any penalties have arisen	427
from a period of time prior to the confirmation of sale, and the	428
purchaser is not the owner of record of the property immediately	429
prior to the judgment of foreclosure nor any of the following:	430
(i) A member of that owner's immediate family;	431
(ii) A person with a power of attorney appointed by that	432
owner who subsequently transfers the land to the owner;	433
(iii) A sole proprietorship owned by that owner or a	434
<pre>member of that owner's immediate family;</pre>	435
(iv) A partnership, trust, business trust, corporation, or	436
association of which the owner or a member of the owner's	437
immediate family owns or controls directly or indirectly more	438
than fifty per cent.	439
(c) The property served by the connection has been	440
forfeited to this state for delinquent taxes, unless the owner	441
of record redeems the property.	442
(3) Upon valid written notice to the county auditor by any	443
owner possessing an ownership interest of record of the property	444
or by an electing subdivision previously in the chain of title	445
of the property that the unpaid water rents or charges together	446
with any penalties have been certified for placement or placed	447
upon the tax list and duplicate as a charge against the property	448
in violation of division (A)(2) of this section, the county	449
auditor shall promptly remove such charge from the tax	450
duplicate. This written notice to the county auditor shall	451
include all of the following:	452

(a) The parcel number of the property;	453
(b) The common address of the property;	454
(c) The date of the recording of the transfer of the	455
property to the owner or electing subdivision;	456
(d) The charge allegedly placed in violation of division	457
(A)(2) of this section.	458
(4) Each director or other official or body that assesses	459
water rents or charges shall determine the actual amount of	460
rents due based upon an actual reading of each customer's meter	461
at least once in each three-month period, and at least quarterly	462
the director or other official or body shall render a bill for	463
the actual amount shown by the meter reading to be due, except	464
estimated bills may be rendered if access to a customer's meter	465
was unobtainable for a timely reading. Each director or other	466
official or body that assesses water rents or charges shall	467
establish procedures providing fair and reasonable opportunity	468
for resolution of billing disputes.	469
(5) When property to which water service is provided is	470
about to be sold, any party to the sale or the agent of any such	471
party may request the director or other official or body to read	472
the meter at that property and to render within ten days	473
following the date on which the request is made, a final bill	474
for all outstanding rents and charges for water service. Such a	475
request shall be made at least fourteen days prior to the	476
transfer of the title of such property.	477
(6) At any time prior to a certification under division	478
(A)(1)(a) of this section, the director or other official or	479
body shall accept any partial payment of unpaid water rents or	480
charges, in the amount of ten dollars or more	481

(B)(1) When title to a parcel of land that is subject to	482
any of the actions described in division (A)(1) of this section	483
is transferred to a county land reutilization corporation, any	484
lien placed on the parcel under division (A)(1)(a) of this	485
section shall be extinguished, and the corporation shall not be	486
held liable for unpaid rents or charges in any collection action	487
brought under division (A)(1)(b) of this section, if the rents	488
or charges certified under division (A)(1)(a) of this section or	489
subject to collection under division (A)(1)(b) of this section	490
were incurred before the date of the transfer to the corporation	491
and if the corporation did not incur the rents or charges,	492
regardless of whether the rents or charges were certified, the	493
lien was attached, or the action was brought before the date of	494
transfer. In such a case, the corporation and its successors in	495
title shall take title to the property free and clear of any	496
such lien and shall be immune from liability in any such	497
collection action.	498

If a county land reutilization corporation takes title to property before any rents or charges have been certified or any lien has been placed with respect to the property under division (A)(1) of this section, the corporation shall be deemed a bona fide purchaser for value without knowledge of such rents, charges, or lien, regardless of whether the corporation had actual or constructive knowledge of the rents, charges, or lien, and any such lien shall be void and unenforceable against the corporation and its successors in title.

(2) If a lien placed on a parcel is extinguished as

provided in division (B)(1) of this section, the municipal

corporation may pursue the remedy available under division (A)

(1)(b) of this section to recoup the rents and charges incurred

with respect to the parcel from any owner, tenant, or other

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(B) The director or other official or body shall submit

verification to the county auditor that the notice required by

this section was provided to the owner.

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 Sec. 3745.15. For the purposes of sections 3745.15 to
 525

 3745.1511 of the Revised Code:
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(A) "Municipal lien" has the same meaning as in section 527
319.65 of the Revised Code. 528

(B) "Property owner," "municipal services," "municipal

services provider," and "municipal authority" have the same

meanings as in section 701.20 of the Revised Code.

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(C) "Tenant" has the same meaning as in section 5321.01 of 532 the Revised Code.

Sec. 3745.151. (A) The environmental review appeals

commission shall hear appeals regarding improper billing

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complaints for municipal services if all of the following apply:

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(1) The complainant has previously filed an improper 537 billing complaint with a municipal services provider. 538

(2) The complaint has not been resolved to the 539 satisfaction of the complainant.

(3) The amount in dispute is equal to or exceeds three	541
hundred dollars.	542
(B) The commission shall hear appeals from property owners	543
in cases where a tenant who is financially responsible for	544
paying for municipal services failed to make payment for such	545
and the property owner was held responsible as a result.	546
(C) The commission shall not hear appeals of the	547
reasonableness of the rates, charges, or rents set by the	548
municipal authority for municipal services.	549
Sec. 3745.152. (A) The environmental review appeals	550
commission shall adopt rules regarding appeals for improper	551
billing complaints for municipal services, including the	552
<pre>following:</pre>	553
(1) A procedure by which complaints will be evaluated, to	554
determine whether a hearing is warranted;	555
(2) Hearing procedures and processes;	556
(3) Standards by which the commission will make decisions	557
resolving complaints.	558
(B) The commission is not subject to Chapter 119. of the	559
Revised Code in adopting rules under this section.	560
Sec. 3745.153. The environmental review appeals commission	561
shall create a hotline to do the following:	562
(A) Allow a person to file an appeal regarding an improper	563
billing complaint for municipal services.	564
(B) Provide information regarding filing an appeal	565
regarding an improper billing complaint, the appeals process,	566
and other related information.	567

Sec. 3745.154. In connection with an appeal made to the	568
environmental review appeals commission regarding an improper	569
billing complaint, the commission may access and review the	570
billing details and histories of a person who contracts to	571
receive municipal services for the purposes of identifying	572
unpaid rates or charges.	573
Sec. 3745.155. A person that receives notice from a	574
municipal authority of a municipal lien being placed on that	575
person's property may file an appeal of the municipal lien with	576
the environmental review appeals commission.	577
Sec. 3745.156. The environmental review appeals commission	578
shall hear all municipal lien appeals. The commission has	579
exclusive original jurisdiction over the appeals.	580
Sec. 3745.157. The environmental review appeals commission	581
shall adopt rules governing hearing procedures for appeals of	582
municipal liens consistent with division (D) of section 3745.04	583
of the Revised Code and sections 3745.03, 3745.05, and 3745.06	584
of the Revised Code.	585
Sec. 3745.158. The environmental review appeals commission	586
shall find for the owner of the property in an appeal of a	587
municipal lien if the commission determines both of the	588
following:	589
(A) The unpaid rents, rates, or charges did not arise	590
pursuant to a service contract made directly with the owner.	591
(B) The owner did not occupy the property served by the	592
service contract.	593
Sec. 3745.159. (A) If the environmental review appeals	594
commission finds for the owner of the property under section	595
3745 158 of the Revised Code, the commission shall order both of	596

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the following:	597
(1) The county auditor that placed the challenged	598
municipal lien on the real property tax list and duplicate to	599
remove the lien;	600
(2) The municipal authority that certified the challenged	601
municipal lien to pay the owner's reasonable attorneys' fees	602
incurred in prosecuting the appeal.	603
(B) On the order of the commission, the county auditor	604
shall remove the challenged service lien.	605
Sec. 3745.1510. Sections 3745.155 to 3745.159 of the	606
Revised Code apply to only municipal liens placed on a property	607
on or after the effective date of those sections.	608
Sec. 3745.1511. A county that operates as a municipal_	609
services provider on behalf of a municipal authority is not	610
subject to sections 701.21 to 701.26 and 3745.151 to 3745.1510	611
of the Revised Code.	612
Section 2. That existing sections 701.10, 729.49, 735.29,	613
and 743.04 of the Revised Code are hereby repealed.	614