



**Senate Local Government & Elections Committee
Proponent Testimony, Senate Bill 112 (Dolan)
Jason Warner – Director of Strategic Engagement, Greater Ohio Policy Center
Tuesday, March 16, 2021**

Chair Gavarone, Ranking Member Maharath and members of the Senate Local Government & Elections Committee, Greater Ohio Policy Center (GOPC) appreciates the opportunity to provide Proponent Testimony on Senate Bill 112 (SB112), a bill which makes changes to the tax foreclosure and land reutilization corporation laws. To begin, we would like to express our gratitude to Senator Dolan for sponsoring this important legislation which seeks to make important and necessary changes to the state land bank law, and specific to the interests of Greater Ohio Policy Center, the tax forfeited land sales statute.

GOPC is a statewide non-profit organization that champions revitalization and sustainable growth in Ohio's cities and metros. GOPC is highly respected for its data-driven, nonpartisan policy analysis, research expertise, and policy development, and regularly provides expert analyses to public, private and nonprofit leaders at the local, state and national level. Our mission is to improve the communities of Ohio through smart growth strategies and research for a revitalized Ohio.

Forfeited land sales concern properties that have been foreclosed upon for delinquent taxes and have been offered at Sheriff's Sale on two separate occasions for the total amount of taxes, assessments, penalties and interest due, plus cost. Not sold for want of bidders, the properties were forfeited to the state by court order and remanded to the county auditor for sale. Under current law, these sales are required to occur on an annual basis, must include all properties that have been forfeited, and must be conducted at a county courthouse.

SB112 balances the interest of auditors in large counties versus auditors in small counties. Under the bill, auditors are required to conduct a forfeited land sale at least once per year, but auditors are also not required to include all properties they may hold during that sale. Where a municipal or county land reutilization corporation requests an auditor to exclude a property from a forfeiture sale, SB112 allows the auditor to do withhold the property, but with a limitation that requires exposure to sale at least once every three years.

SB112 also permits county auditors to conduct a sale not only at the county courthouse, but may be at a location the county auditor deems appropriate and efficient for the sale to occur. The bill also provides that a successful bidder at a forfeited land sale must pay the balance owed on the sale price within 30 days of the sale or the sale shall be automatically voided and any deposit will be forfeited to the auditor.

Properties that are sold at forfeited land sales are not available for inspection prior to their sale by the general public, though public entities who have the opportunity to acquire the properties prior to a forfeited land sale do have access for inspection. Because most prospective purchasers are unable to inspect properties, often times they find after the sale that a property may have far more deficiencies than they had planned when making the purchase. As a result, these properties often slip back into delinquency and end up back on a forfeited land sales list.

This vicious cycle of neglect results in blighted neighborhoods with little hope for revitalization. Because current law mandates county auditors hold these sales annually, there is no ability to hold the properties and slow the cycle. Enactment of SB112 will allow county auditors to hold sales when they deem them necessary, and will permit entities like county land banks to acquire the properties and do the necessary revitalization work to turn the properties into community assets instead of blights.

These proposed changes, as outlined above, originated from the work of the Ohio Revitalization Steering Committee (RSC), a task force consisting of representatives from county land banks, financial institutions, and nonprofit groups concerned with community and neighborhood health and revitalization. Greater Ohio is privileged to have the opportunity to spearhead this task force and on behalf of the RSC, we thank Senator Dolan and the Ohio Land Bank Association for the inclusion of these changes in SB112.

GOPC also support the other proposed changes to the land reutilization corporation statute as outlined in SB112. Ohio's land banks have accomplished many things in the past decade. In the aftermath of the foreclosure crisis, tens of thousands of abandoned, blighted properties have been cleared; thousands of homes have been renovated, and formerly unproductive lots have been assembled into numerous job-creating economic development projects. Enactment of SB112 will ensure land banks are able to continue to accomplish these important works across Ohio.

Chair Gavarone and Members of the Senate Local Government & Elections Committee, thank you for the opportunity to share our thoughts on SB112.