



LINDSAY M. WEBB

LUCAS COUNTY TREASURER

One Government Center • Suite, 500
Toledo, Ohio 43604-2253
www.co.lucas.oh.us/treasurer
treasurer@co.lucas.oh.us

Testimony before the Senate Ways & Means Committee

Regarding Senate Bill 186

Jan. 24, 2024

Lucas County Treasurer, Lindsay M. Webb

Chair Blessing, Vice Chair Roegner, and members of the Senate Ways & Means Committee, The Lucas County Treasurer, Lindsay Webb respectfully submits this written testimony on Senate Bill 186, and formally asks the Committee to require that those who are delinquent on their property taxes bring their parcels current before bidding at a public auction, and/or transferring or subdividing a property.

Without this requirement, tax delinquent entities have an unfair advantage at Sherriff's sale

The ability to purchase property at Sherriff's sale should be considered a privilege, reserved for law abiding individuals who make a good faith effort to pay their property taxes. However, as the law stands now, tax delinquent entities are permitted to successfully bid on, and then subsequently have a tax foreclosed property transferred into their name. Indeed, a review of the Lucas County Sherriff's sales for delinquent taxes over the last two years reveals that nearly 20% of parcels were sold to bidders with tax delinquencies on other parcels in Lucas County. We are spending County resources to investigate, prosecute, and foreclose on delinquent properties only to put them at risk again because of this "loophole."

Requiring an affidavit attesting to "no delinquencies" levels the playing field

There is an analogous policy and process found in the Ohio Revised Code governing Forfeited Lands. Specifically, Ohio Revised Code Section 5723.06 has a prohibition on the sale of forfeited lands to "any person that is delinquent on real property taxes in this state," and further this same section requires an affidavit from the forfeited land sale buyer indicating that they have no prior interest in the property. As such, this prohibition and the additional affidavit requirement is made clear to potential bidders before and during our annual forfeited land sale.

Similarly then, by requiring an affidavit, which is subject to a falsification charge, the stated policy goal of ensuring that a purchaser of tax foreclosed property, does not own other tax delinquent property in the state (subject to reasonable certain exceptions) is achieved by this new requirement. Ohio law should not inadvertently give an unfair advantage to a tax delinquent entities with a business model based on short-changing essential services in our communities.

Addressing delinquency at the time of transfer will reduce overall property tax delinquency

Finally, this simple change in the law will reduce overall property tax delinquency by addressing the delinquency at the time of transfer. With this requirement, there will be a built-in incentive to address delinquencies before the property is sold (and transferred) at Sherriff's sale, or in an arm's length transaction. The market will make it so.

Even in the case where a property is subdivided, addressing the delinquency upfront, helps avoid the situation where all the delinquent taxes accumulate on a smaller, so-called "ghost parcel," that may be unusable, unbuildable or otherwise have no value. In our County, we have seen examples of these "ghost parcels" linger on the tax rolls for decades, where foreclosing and clearing title take considerable time and expense, without an identified reuse.

Finally, many residents of Lucas County are surprised to learn that this isn't a requirement of the law in the State of Ohio already. Sadly, we have seen examples in Lucas County where one neighbor purchases or acquires property from another neighbor for a seemingly low price only to find out that they are now responsible for thousands of dollars of delinquent taxes. The change in the law offered by Senate Bill 186 provides an additional protection for Ohioans. It will protect them against unwittingly taking on tax delinquency at the time of transfer.

Thank you.

###