

# AN ACT

To amend sections 319.45, 319.50, 321.31, 323.31, 5705.03, 5719.05, 5721.19, 5721.25, 5721.32, 5721.33, 5722.03, and 5722.04 of the Revised Code to require delinquent property tax collections to be distributed among taxing districts in proportion to current tax rates, rather than the rates in effect while the taxes were outstanding, and to require that a county auditor's tax valuation certification be issued ten days after requested and be filed with any resolution or ordinance certified to a county board of elections by a taxing authority.

*Be it enacted by the General Assembly of the State of Ohio:*

SECTION 1. That sections 319.45, 319.50, 321.31, 323.31, 5705.03, 5719.05, 5721.19, 5721.25, 5721.32, 5721.33, 5722.03, and 5722.04 of the Revised Code be amended to read as follows:

Sec. 319.45. In making the settlement required by sections 319.43 and 319.44 of the Revised Code, the county auditor shall carefully examine the tax duplicate and ascertain, from the entries of taxes, interest, and penalty paid in whole or in part, and from such other sources of information as are within ~~his~~ the auditor's reach, the true amount collected by the county treasurer on account of each of the several taxes charged on such duplicate, the amount remaining in the hands of the treasurer ~~belonging payable~~ to each fund, and shall give to the treasurer separate certificates, in duplicate, of the separate sums found to have been collected by ~~him~~ the treasurer.

In making each of those settlements, the county auditor shall apportion any delinquent taxes, penalties, and interest among the several taxing districts in the same proportions that the amount of real and public utility property taxes levied by each district in the preceding tax year bears to the amount of real and public utility property taxes levied by all such districts in the preceding tax year.

Sec. 319.50. (A) In making each June settlement required by section

319.49 of the Revised Code, the county auditor shall carefully examine the duplicate certificates and receipts for the advance payment of taxes and ascertain from such certificates and receipts, and from such other sources of information as are within ~~his~~ the auditor's reach, the true amount collected by the county treasurer on account of each of the several taxes reported thereby, and the amount remaining in the hands of the treasurer ~~belonging payable~~ to each fund, and shall give the treasurer separate certificates, in duplicate, of the separate sums found to have been received by ~~him~~ the treasurer.

(B) In making each October settlement required by such section, the auditor shall carefully examine and ascertain from the entries of taxes, interest, and penalties paid in part, and from such other sources of information as are within ~~his~~ the auditor's reach, the true amount collected by the treasurer on account of each of the several taxes charged on the duplicates, and the amount remaining in the hands of the treasurer ~~belonging payable~~ to each fund, and shall give the treasurer separate certificates, in duplicate, of the separate sums found to have been collected by ~~him~~ the treasurer.

(C) In making either settlement required under section 319.49 of the Revised Code, the county auditor shall apportion delinquent taxes, penalties, and interest among the several taxing districts in the same proportion that the amount of taxes levied by the district against the delinquent property in the preceding tax year bears to the taxes levied by all such districts against the property in the preceding tax year, and shall apportion assessments and other charges among the taxing districts in the order in which they became due.

(D) Within ten days after ~~he has made~~ making each settlement provided for in this section, the auditor shall transmit to the tax commissioner a duplicate of each of the several certificates and abstracts required to be made in such settlements.

Sec. 321.31. Immediately after each settlement with the county auditor, on demand, and on presentation of the warrant of the auditor therefor, the county treasurer shall pay to the township clerk, or the treasurer of a municipal corporation, school district, or any board authorized by law to receive the funds or proceeds of any special tax levy, or other properly designated officers delegated by the boards and subdivisions to receive such funds or proceeds, all moneys in the county treasury ~~belonging payable~~ to such boards and subdivisions. Delinquent taxes, interest, and penalties are payable in the proportions prescribed in section 319.45 of the Revised Code.

Sec. 323.31. (A) A person who owns agricultural real property or owns

and occupies residential real property or a manufactured or mobile home that does not have an outstanding tax lien certificate or judgment of foreclosure against it, and a person who is a vendee of such property under a purchase agreement or land contract and who occupies the property, shall have at least one opportunity to pay the delinquent or unpaid current taxes charged against the property by entering into a written delinquent tax contract with the county treasurer in a form prescribed or approved by the tax commissioner. Subsequent opportunities to enter into a delinquent tax contract shall be at the county treasurer's sole discretion.

The treasurer may enter into a delinquent tax contract with an owner or vendee of real property, other than residential real property or a manufactured or mobile home that is occupied by the owner, and other than agricultural real property.

The delinquent tax contract may be entered into at any time prior to the commencement of foreclosure proceedings by the county treasurer and the county prosecuting attorney pursuant to section 323.25 of the Revised Code or by the county prosecuting attorney pursuant to section 5721.18 of the Revised Code, the commencement of foreclosure proceedings by a private attorney pursuant to section 5721.37 of the Revised Code, the commencement of foreclosure and forfeiture proceedings pursuant to section 5721.14 of the Revised Code, or the commencement of collection proceedings pursuant to division (H) of section 4503.06 of the Revised Code by the filing of a civil action as provided in that division. A duplicate copy of each delinquent tax contract shall be filed with the county auditor, who shall attach the copy to the delinquent land tax certificate, delinquent vacant land tax certificate, or the delinquent manufactured home tax list, or who shall enter an asterisk in the margin next to the entry for the tract or lot on the master list of delinquent tracts, master list of delinquent vacant tracts, or next to the entry for the home on the delinquent manufactured home tax list, prior to filing it with the prosecuting attorney under section 5721.13 of the Revised Code, or, in the case of the delinquent manufactured home tax list, prior to delivering it to the county treasurer under division (H)(2) of section 4503.06 of the Revised Code. If the delinquent tax contract is entered into after the certificate or the master list has been filed with the prosecuting attorney, the treasurer shall file the duplicate copy with the prosecuting attorney.

A delinquent tax contract entered into under this division shall provide for the payment of delinquent and unpaid current taxes in installments over a period not to exceed five years after the date of the first payment made under the contract; however, a person entering into a delinquent tax contract

who owns and occupies residential real property may request, and the treasurer shall allow, a delinquent tax contract providing for payment in installments over a period of no fewer than two years after the date of the first payment made under the contract.

For each delinquent tax contract, the county treasurer shall determine and shall specify in the delinquent tax contract the number of installments, the amount of each installment, and the schedule for payment of the installments. ~~Each~~ The part of each installment payment representing taxes and penalties and interest thereon shall be apportioned among the several taxing districts in the same proportion that the amount of taxes levied by each district against the entry in the preceding tax year bears to the taxes levied by all such districts against the entry in the preceding tax year. The part of each payment representing assessments and other charges shall be credited to those items in the order in which they became due. Each payment made to a taxing district shall be apportioned among the taxing district's several funds for which taxes or assessments have been assessed and shall be applied to the items of taxes charged in the order in which they became due levied.

When an installment payment is not received by the treasurer when due under a delinquent tax contract or any current taxes or special assessments charged against the property become unpaid, the delinquent tax contract becomes void unless the treasurer permits a new delinquent tax contract to be entered into; if the treasurer does not permit a new delinquent tax contract to be entered into, the treasurer shall certify to the auditor that the delinquent tax contract has become void.

Upon receipt of such a certification, the auditor shall destroy the duplicate copy of the voided delinquent tax contract. If such copy has been filed with the prosecuting attorney, the auditor immediately shall deliver the certification to the prosecuting attorney, who shall attach it to the appropriate certificate and the duplicate copy of the voided delinquent tax contract or strike through the asterisk entered in the margin of the master list next to the entry for the tract or lot that is the subject of the voided delinquent tax contract. The prosecuting attorney then shall institute a proceeding to foreclose the lien of the state in accordance with section 323.25 or 5721.18 of the Revised Code or, in the case of delinquent vacant land, a foreclosure proceeding in accordance with section 323.25 or 5721.18 of the Revised Code, or a foreclosure and forfeiture proceeding in accordance with section 5721.14 of the Revised Code. In the case of a manufactured or mobile home, the county treasurer shall cause a civil action to be brought as provided under division (H) of section 4503.06 of the

Revised Code.

(B) If there is an outstanding tax certificate respecting a delinquent parcel under section 5721.32 or 5721.33 of the Revised Code, a written delinquent tax contract may not be entered into under this section. To redeem a tax certificate in installments, the owner or other person seeking to redeem the tax certificate shall enter into a redemption payment plan under division (C) of section 5721.38 of the Revised Code.

Sec. 5705.03. (A) The taxing authority of each subdivision may levy taxes annually, subject to the limitations of sections 5705.01 to 5705.47 of the Revised Code, on the real and personal property within the subdivision for the purpose of paying the current operating expenses of the subdivision and acquiring or constructing permanent improvements. The taxing authority of each subdivision and taxing unit shall, subject to the limitations of such sections, levy such taxes annually as are necessary to pay the interest and sinking fund on and retire at maturity the bonds, notes, and certificates of indebtedness of such subdivision and taxing unit, including levies in anticipation of which the subdivision or taxing unit has incurred indebtedness.

(B) When a taxing authority determines that it is necessary to levy a tax outside the ten-mill limitation for any purpose authorized by the Revised Code, the taxing authority shall certify to the county auditor a resolution or ordinance requesting that the county auditor certify to the taxing authority the total current tax valuation of the subdivision, and the number of mills required to generate a specified amount of revenue, or the dollar amount of revenue that would be generated by a specified number of mills. The resolution or ordinance shall state the purpose of the tax, whether the tax is an additional levy or a renewal or a replacement of an existing tax, and the section of the Revised Code authorizing submission of the question of the tax. If a subdivision is located in more than one county, the county auditor shall obtain from the county auditor of each other county in which the subdivision is located the current tax valuation for the portion of the subdivision in that county. If The county auditor shall issue the certification to the taxing authority within ten days after receiving the taxing authority's resolution or ordinance requesting it.

If, upon receiving the certification from the county auditor, the taxing authority proceeds with the submission of the question of the tax to electors, the taxing authority shall certify its resolution or ordinance, accompanied by a copy of the county auditor's certification, to the proper county board of elections in the manner and within the time prescribed by the section of the Revised Code governing submission of the question, and shall include with

its certification the rate of the tax levy, expressed in mills for each one dollar in tax valuation as estimated by the county auditor. The county board of elections shall not submit the question of the tax to electors unless a copy of the county auditor's certification accompanies the resolution or ordinance the taxing authority certifies to the board. Before requesting a taxing authority to ~~submit~~ submit a tax levy, any agency or authority authorized to make that request shall first request the certification from the county auditor provided under this section.

This division is supplemental to, and not in derogation of, any similar requirement governing the certification by the county auditor of the tax valuation of a subdivision or necessary tax rates for the purposes of the submission of the question of a tax in excess of the ten-mill limitation, including sections 133.18 and 5705.195 of the Revised Code.

(C) All taxes levied on property shall be extended on the tax duplicate by the county auditor of the county in which the property is located, and shall be collected by the county treasurer of such county in the same manner and under the same laws and rules as are prescribed for the assessment and collection of county taxes. The proceeds of any tax levied by or for any subdivision when received by its fiscal officer shall be deposited in its treasury to the credit of the appropriate fund.

Sec. 5719.05. The county treasurer shall forthwith collect the taxes and penalty on the duplicate delivered to the treasurer by the auditor pursuant to section 5719.04 of the Revised Code and any interest thereon by any of the means provided by law.

In addition to any other means provided by law, the treasurer may, after finding that the treasurer is unable to collect the full amount of delinquent taxes, interest, and penalties charged against an entry on the cumulative delinquent tax duplicate in a single payment, enter into a written delinquent tax contract, with the person so charged, for payment of the full amount in installments. The terms of the delinquent tax contract shall include the amount payable and the due date of each installment including the final payment date, which shall be not more than five years after the date of the first payment. The treasurer shall enter upon the margin of the duplicate a notation indicating that the agreement for installment payment has been undertaken. A receipt shall be issued for each payment, and the payment shall be credited on the duplicate on the date paid. Each payment shall be ~~applied to the taxes, interest, and penalties in the same order as each became due and~~ apportioned among the several taxing districts in the same proportion that the amount of taxes levied by each district against the entry in the preceding tax year bears to the taxes levied by all such districts

~~inst the entry in the preceding tax year. The payment~~ shall be apportioned among the ~~taxing district's~~ various funds, for which the taxes were levied, ~~at the next succeeding tax settlement~~. When a payment is not tendered as agreed upon, the delinquent tax contract may be declared void by the treasurer, and the treasurer may proceed to collect the unpaid balance by any means provided by law. The treasurer may permit a new agreement to be undertaken, under the same terms and conditions, but there shall be no requirement that the treasurer do so.

Sec. 5721.19. (A) In its judgment of foreclosure rendered with respect to actions filed pursuant to section 5721.18 of the Revised Code, the court shall enter a finding with respect to each parcel of the amount of the taxes, assessments, charges, penalties, and interest, and the costs incurred in the foreclosure proceeding instituted against it, which are due and unpaid. The court may order each parcel to be sold, without appraisal, for not less than either of the following:

(1) The fair market value of the parcel, as determined by the county auditor, plus the costs incurred in the foreclosure proceeding;

(2) The total amount of the finding entered by the court, including all taxes, assessments, charges, penalties, and interest payable subsequent to the delivery to the county prosecuting attorney of the delinquent land tax certificate or master list of delinquent tracts and prior to the transfer of the deed of the parcel to the purchaser following confirmation of sale, plus the costs incurred in the foreclosure proceeding. For purposes of determining such amount, the county treasurer may estimate the amount of taxes, assessments, interest, penalties, and costs that will be payable at the time the deed of the property is transferred to the purchaser.

Notwithstanding the minimum sales price provisions of divisions (A)(1) and (2) of this section to the contrary, a parcel sold pursuant to this section shall not be sold for less than the amount described in division (A)(2) of this section if the highest bidder is the owner of record of the parcel immediately prior to the judgment of foreclosure or a member of the following class of parties connected to that owner: a member of that owner's immediate family, a person with a power of attorney appointed by that owner who subsequently transfers the parcel to the owner, a sole proprietorship owned by that owner or a member of that owner's immediate family, or a partnership, trust, business trust, corporation, or association in which the owner or a member of the owner's immediate family owns or controls directly or indirectly more than fifty per cent. If a parcel sells for less than the amount described in division (A)(2) of this section, the officer conducting the sale shall require the buyer to complete an affidavit stating

that the buyer is not the owner of record immediately prior to the judgment of foreclosure or a member of the specified class of parties connected to that owner, and the affidavit shall become part of the court records of the proceeding. If the county auditor discovers within three years after the date of the sale that a parcel was sold to that owner or a member of the specified class of parties connected to that owner for a price less than the amount so described, and if the parcel is still owned by that owner or a member of the specified class of parties connected to that owner, the auditor within thirty days after such discovery shall add the difference between that amount and the sale price to the amount of taxes that then stand charged against the parcel and is payable at the next succeeding date for payment of real property taxes. As used in this paragraph, "immediate family" means a spouse who resides in the same household and children.

(B) Each parcel affected by the court's finding shall be separately sold, unless the court orders any of such parcels to be sold together.

Each parcel shall be advertised and sold by the officer to whom the order of sale is directed in the manner provided by law for the sale of real property on execution. The advertisement for sale of each parcel shall be published once a week for three consecutive weeks and shall include the date on which a second sale will be conducted if no bid is accepted at the first sale. Any number of parcels may be included in one advertisement.

The notice of the advertisement shall be substantially in the form of the notice set forth in section 5721.191 of the Revised Code. In any county that has adopted a permanent parcel number system, the parcel may be described in the notice by parcel number only, instead of also with a complete legal description, if the prosecuting attorney determines that the publication of the complete legal description is not necessary to provide reasonable notice of the foreclosure sale to potential bidders. If the complete legal description is not published, the notice shall indicate where the complete legal description may be obtained.

(C)(1) Whenever the officer charged to conduct the sale offers any parcel for sale and no bids are made equal to the lesser of the amounts described in divisions (A)(1) and (2) of this section, the officer shall adjourn the sale of the parcel to the second date that was specified in the advertisement of sale. The second date shall be not less than two weeks or more than six weeks from the day on which the parcel was first offered for sale. The second sale shall be held at the same place and commence at the same time as set forth in the advertisement of sale. The officer shall offer any parcel not sold at the first sale. Upon the conclusion of any sale, or if any parcel remains unsold after being offered at two sales, the officer



conducting the sale shall report the results to the court.

(2)(a) If a parcel remains unsold after being offered at two sales, or if a parcel sells at any sale but the amount of the price is less than the costs incurred in the proceeding instituted against the parcel under section 5721.18 of the Revised Code, then the clerk of the court shall certify to the county auditor the amount of those costs that remains unpaid. At the next semiannual apportionment of real property taxes that occurs following any such certification, the auditor shall reduce the real property taxes that the auditor otherwise would distribute to each taxing district. In making the reductions, the auditor shall subtract from the otherwise distributable real property taxes to a taxing district an amount that shall be determined by multiplying the certified costs by a fraction the numerator of which shall be the amount of the taxes, assessments, charges, penalties, and interest on the parcel owed to that taxing district at the time the parcel first was offered for sale pursuant to this section, and the denominator of which shall be the total of the taxes, assessments, charges, penalties, and interest on the parcel owed to all the taxing districts at that time. The auditor promptly shall pay to the clerk of the court the amounts of the reductions.

(b) If reductions occur pursuant to division (C)(2)(a) of this section, and if at a subsequent time a parcel is sold at a foreclosure sale or a forfeiture sale pursuant to Chapter 5723. of the Revised Code, then, notwithstanding other provisions of the Revised Code, except section 5721.17 of the Revised Code, governing the distribution of the proceeds of a foreclosure or forfeiture sale, the proceeds first shall be distributed to reimburse the taxing districts subjected to reductions in their otherwise distributable real property taxes. The distributions shall be based on the same proportions used for purposes of division (C)(2)(a) of this section.

(3) The court, in its discretion, may order any parcel not sold pursuant to the original order of sale to be advertised and offered for sale at a subsequent foreclosure sale. For such purpose, the court may direct the parcel to be appraised and fix a minimum price for which it may be sold.

(D) Except as otherwise provided in division (B)(1) of section 5721.17 of the Revised Code, upon the confirmation of a sale, the proceeds of the sale shall be applied as follows:

(1) The costs incurred in any proceeding filed against the parcel pursuant to section 5721.18 of the Revised Code shall be paid first.

(2) Following the payment required by division (D)(1) of this section, the part of the proceeds that is equal to five per cent of the taxes and assessments due shall be deposited in the delinquent tax and assessment collection fund created pursuant to section 321.261 of the Revised Code.

(3) Following the payment required by division (D)(2) of this section, the amount found due for taxes, assessments, charges, penalties, and interest shall be paid, including all taxes, assessments, charges, penalties, and interest payable subsequent to the delivery to the county prosecuting attorney of the delinquent land tax certificate or master list of delinquent tracts and prior to the transfer of the deed of the parcel to the purchaser following confirmation of sale. If the proceeds available for distribution pursuant to division (D)(3) of this section are ~~insufficient~~ sufficient to pay the entire amount of those taxes, assessments, charges, penalties, and interest, the portion of the proceeds representing taxes, interest, and penalties shall be paid to each claimant in proportion to the amount of taxes levied by the claimant in the preceding tax year, and the amount representing assessments and other charges shall be paid to each claimant in the order in which they became due. If the proceeds are not sufficient to pay that entire amount, the proportion of the proceeds representing taxes, penalties, and interest shall be paid to each claimant in the same proportion to that the amount of those taxes, assessments, charges, penalties, and interest that each is due levied by the claimant against the parcel in the preceding tax year bears to the taxes levied by all such claimants against the parcel in the preceding tax year, and the proportion of the proceeds representing items of assessments and other charges shall be credited to those items in the order in which they became due.

(E) If the proceeds from the sale of a parcel are insufficient to pay in full the amount of the taxes, assessments, charges, penalties, and interest which are due and unpaid; the costs incurred in the foreclosure proceeding instituted against it which are due and unpaid; and, if division (B)(1) of section 5721.17 of the Revised Code is applicable, any notes issued by a receiver pursuant to division (F) of section 3767.41 of the Revised Code and any receiver's lien as defined in division (C)(4) of section 5721.18 of the Revised Code, the court, pursuant to section 5721.192 of the Revised Code, may enter a deficiency judgment against the owner of record of the parcel for the unpaid amount. If that owner of record is a corporation, the court may enter the deficiency judgment against the stockholder holding a majority of that corporation's stock.

If after distribution of proceeds from the sale of the parcel under division (D) of this section the amount of proceeds to be applied to pay the taxes, assessments, charges, penalties, interest, and costs is insufficient to pay them in full, and the court does not enter a deficiency judgment against the owner of record pursuant to this division, the taxes, assessments, charges, penalties, interest, and costs shall be deemed satisfied.

(F)(1) Upon confirmation of a sale, a spouse of the party charged with the delinquent taxes or assessments shall thereby be barred of the right of dower in the property sold, though such spouse was not a party to the action. No statute of limitations shall apply to such action. When the land or lots stand charged on the tax duplicate as certified delinquent, it is not necessary to make the state a party to the foreclosure proceeding, but the state shall be deemed a party to such action through and be represented by the county treasurer.

(2) Except as otherwise provided in divisions (F)(3) and (G) of this section, unless such land or lots were previously redeemed pursuant to section 5721.25 of the Revised Code, upon the filing of the entry of confirmation of sale, the title to such land or lots shall be incontestable in the purchaser and shall be free and clear of all liens and encumbrances, except a federal tax lien notice of which is properly filed in accordance with section 317.09 of the Revised Code prior to the date that a foreclosure proceeding is instituted pursuant to division (B) of section 5721.18 of the Revised Code and the easements and covenants of record running with the land or lots that were created prior to the time the taxes or assessments, for the nonpayment of which the land or lots are sold at foreclosure, became due and payable.

(3) When proceedings for foreclosure are instituted under division (C) of section 5721.18 of the Revised Code, unless the land or lots were previously redeemed pursuant to section 5721.25 of the Revised Code, upon the filing of the entry of confirmation of sale, the title to such land or lots shall be incontestable in the purchaser and shall be free of any receiver's lien as defined in division (C)(4) of section 5721.18 of the Revised Code and, except as otherwise provided in division (G) of this section, the liens for land taxes, assessments, charges, interest, and penalties for which the lien was foreclosed and in satisfaction of which the property was sold. All other liens and encumbrances with respect to the land or lots shall survive the sale.

(4) The title shall not be invalid because of any irregularity, informality, or omission of any proceedings under this chapter, or in any processes of taxation, if such irregularity, informality, or omission does not abrogate the provision for notice to holders of title, lien, or mortgage to, or other interests in, such foreclosed lands or lots, as prescribed in this chapter.

(G) If a parcel is sold under this section for the amount described in division (A)(2) of this section, and the county treasurer's estimate exceeds the amount of taxes, assessments, interest, penalties, and costs actually payable when the deed is transferred to the purchaser, the officer who

conducted the sale shall refund to the purchaser the difference between the estimate and the amount actually payable. If the amount of taxes, assessments, interest, penalties, and costs actually payable when the deed is transferred to the purchaser exceeds the county treasurer's estimate, the officer shall certify the amount of the excess to the treasurer, who shall enter that amount on the real and public utility property tax duplicate opposite the property; the amount of the excess shall be payable at the next succeeding date prescribed for payment of taxes in section 323.12 of the Revised Code.

(H) If a parcel is sold under this section, the officer who conducted the sale shall collect the recording fee from the purchaser at the time of the sale and, following confirmation of the sale, shall prepare and record the deed conveying title to the parcel to the purchaser.

Sec. 5721.25. All delinquent land upon which the taxes, assessments, penalties, interest, or charges have become delinquent may be redeemed before foreclosure proceedings have been instituted or, if proceedings have been instituted, before the filing of an entry of confirmation of sale pursuant to such proceedings, by tendering to the county treasurer an amount sufficient to pay the taxes, assessments, penalties, interest, and charges then due and unpaid and the costs incurred in any proceeding instituted against such land under section 5721.18 of the Revised Code as determined by the court.

After a proceeding has been instituted but before a judgment of foreclosure has been rendered with respect to delinquent land, any person entitled to redeem the land who has not previously defaulted on a delinquent tax contract under section 323.31 of the Revised Code with respect to that delinquent land may enter into a delinquent tax contract with the county treasurer for the payment of the taxes, assessments, penalties, interest, and charges found to be due and unpaid on such land, together with the costs incurred in the proceeding as determined by the court. The execution of a delinquent tax contract shall not stop the prosecution of a proceeding to judgment. The delinquent tax contract shall be paid as prescribed by section 323.31 of the Revised Code over a period not to exceed five years after the date of the first payment made under the contract. The court shall retain jurisdiction over the delinquent land until the total amount set forth in the delinquent tax contract is paid, notwithstanding any conveyance of the land to another owner during the period that the delinquent tax contract is outstanding.

If any payment under a delinquent tax contract is not paid when due, the county treasurer shall, at the time the payment is due and unpaid, advise the court rendering the judgment of foreclosure, and the court shall order such

land sold for the amount of taxes, assessments, penalties, interest, and charges then due and owing on such land in the manner provided in section 5721.19 of the Revised Code.

Upon the receipt of each payment pursuant to any delinquent tax contract, the county treasurer shall enter the amount of such payment on the tax duplicate, ~~crediting it to the items of taxes, assessments, penalties, interest, and charges in the order in which such items became due.~~ Upon and, upon request, ~~the county treasurer~~ shall give a receipt for the amount paid to the person paying it. The receipt shall be in the form prescribed by the tax commissioner.

The portion of the amount tendered under this section representing taxes and penalties and interest thereon shall be apportioned among the several taxing districts in the same proportion that the amount of taxes levied by each district against the delinquent property in the preceding tax year bears to the taxes levied by all such districts against the property in the preceding tax year. The portion of the payment representing assessments and other charges shall be credited to those items in the order in which they became due.

Sec. 5721.32. (A) The sale of tax certificates by public auction may be conducted at any time after completion of the advertising of the sale under section 5721.31 of the Revised Code, on the date and at the time and place designated in the advertisements, and may be continued from time to time as the county treasurer directs. The county treasurer may offer the tax certificates for sale in blocks of tax certificates, consisting of any number of tax certificates as determined by the county treasurer.

(B)(1) The sale of tax certificates under this section shall be conducted at a public auction by the county treasurer or a designee of the county treasurer.

(2) No person shall be permitted to bid without completing a bidder registration form, in the form prescribed by the tax commissioner, and filing the form with the county treasurer prior to the start of the auction, together with remittance of a registration fee, in cash, of five hundred dollars. The bidder registration form shall include a tax identification number of the registrant. The registration fee is refundable at the end of bidding on the day of the auction, unless the registrant is the winning bidder for one or more tax certificates or one or more blocks of tax certificates, in which case the fee may be applied toward the deposit required by this section.

(C) At the auction, the county treasurer or the treasurer's designee or agent shall begin the bidding at eighteen per cent per year simple interest, and accept lower bids in even increments of one-fourth of one per cent to

the rate of zero per cent. The county treasurer, designee, or agent shall award the tax certificate to the person bidding the lowest certificate rate of interest.

(D) The winning bidder shall pay the county treasurer a cash deposit of at least ten per cent of the certificate purchase price not later than the close of business on the day of the sale. The winning bidder shall pay the balance and the fee required under division (H) of this section not later than five business days after the day on which the certificate is sold. If the winning bidder fails to pay the balance and fee within the prescribed time, the bidder forfeits the deposit, and the county treasurer shall retain the tax certificate and may attempt to sell it at any auction conducted at a later date. The county treasurer shall deposit the forfeited deposit in the county treasury to the credit of the tax certificate administration fund.

(E) Upon receipt of the full payment of the certificate purchase price from the purchaser, the county treasurer shall issue the tax certificate and record the tax certificate sale by marking on the tax certificate and into a tax certificate register, the certificate purchase price, the certificate rate of interest, the date the certificate was sold, and the name and address of the certificate holder, which may be, upon receipt of instructions from the purchaser, the secured party of the actual purchaser, or an agent or custodian for the purchaser or secured party. The county treasurer also shall transfer the tax certificate to the certificate holder and, upon presentation to the treasurer of instructions signed by the certificate purchaser, shall record in the tax certificate register the name and address of any secured party of the certificate purchaser having a security interest in the tax certificate. Upon the transfer of a tax certificate, the county treasurer shall credit apportion the part of the proceeds from the sale representing taxes, penalties, and interest among the several taxing districts in the same proportion that the amount of taxes levied by each district against the certificate parcel in the preceding tax year bears to the taxes levied by all such districts against the certificate parcel in the preceding tax year, and credit the part of the proceeds representing assessments and other charges to the items of ~~taxes, assessments, penalties, interest,~~ and charges in the order in which those items became due. Upon completion of the sale of a tax certificate, the delinquent taxes, assessments, penalties, and interest that make up the certificate purchase price are transferred, and the superior lien of the state and its taxing districts for those taxes, assessments, penalties, and interest is conveyed intact to the certificate holder.

(F) If a tax certificate is offered for sale under this section but is not sold, the county treasurer may strike the corresponding certificate parcel

from the list of parcels selected for tax certificate sales. The lien for taxes, assessments, charges, penalties, and interest against a parcel stricken from the list thereafter may be foreclosed in the manner prescribed by section 323.25, 5721.14, or 5721.18 of the Revised Code unless, prior to the institution of such proceedings against the parcel, the county treasurer restores the parcel to the list of parcels selected for tax certificate sales.

(G) A certificate holder shall not be liable for damages arising from a violation of sections 3737.87 to 3737.891 or Chapter 3704., 3734., 3745., 3746., 3750., 3751., 3752., 6109., or 6111. of the Revised Code, or a rule adopted or order, permit, license, variance, or plan approval issued under any of those chapters, that is or was committed by another person in connection with the parcel for which the tax certificate is held.

(H) When selling a tax certificate under this section, the county treasurer shall charge a fee to the purchaser of the certificate. The treasurer shall set the fee at a reasonable amount that covers the treasurer's costs of administering the sale of the tax certificate. The treasurer shall deposit the fee in the county treasury to the credit of the tax certificate administration fund.

(I) After selling a tax certificate under this section, the county treasurer shall send written notice by certified or registered mail to the owner of the certificate parcel at the owner's last known tax-mailing address. The notice shall inform the owner that the tax certificate was sold, shall describe the owner's options to redeem the parcel, including entering into a redemption payment plan under division (C)(1) of section 5721.38 of the Revised Code, and shall name the certificate holder and its secured party, if any.

(J) A tax certificate shall not be sold to the owner of the certificate parcel.

Sec. 5721.33. (A) A county treasurer may, in the treasurer's discretion, negotiate the sale of any number of tax certificates with one or more persons, including, without limitation, any premium to be added to or discount to be subtracted from the certificate purchase price for the tax certificates and any other terms of the sale that the county treasurer, in the treasurer's discretion, determines appropriate or necessary for the sale.

(B) The sale of tax certificates under this section shall be governed by the criteria established by the county treasurer pursuant to division (E) of this section.

(C) The county treasurer may execute a tax certificate sale/purchase agreement and other necessary agreements with a designated purchaser or purchasers to complete a negotiated sale of tax certificates.

(D) The tax certificate may be sold at a premium to or discount from the

certificate purchase price. The county treasurer may establish as one of the terms of the negotiated sale the portion of the certificate purchase price, plus any applicable premium or less any applicable discount, that the purchaser or purchasers shall pay in cash on the date the tax certificates are sold and the portion, if any, of the certificate purchase price, plus any applicable premium or less any applicable discount, that the purchaser or purchasers shall pay in noncash consideration and the nature of that consideration.

The county treasurer shall sell such tax certificates at a certificate purchase price, plus any applicable premium and less any applicable discount, that, in the treasurer's determination, is in the best interests of the county.

(E)(1) The county treasurer may promulgate rules governing the eligibility of persons to purchase tax certificates or to otherwise participate in a negotiated sale under this section. The rules may provide for precertification of such persons, including a requirement for disclosure of income, assets, and any other financial information the county treasurer determines appropriate. The rules may also prohibit any person that is delinquent in the payment of any tax to the county or to the state, or that is in default in or on any other obligation to the county or to the state, from purchasing a tax certificate or otherwise participating in a negotiated sale of tax certificates under this section. The eligibility information required shall include the tax identification number of the purchaser and may include the tax identification number of the participant.

(2) Any person that intends to purchase a tax certificate in a negotiated sale shall submit an affidavit to the county treasurer that establishes compliance with the applicable eligibility criteria and includes any other information required by the treasurer. Any person that fails to submit such an affidavit is ineligible to purchase a tax certificate. Any person that knowingly submits a false or misleading affidavit shall forfeit any tax certificate or certificates purchased by the person at a sale for which the affidavit was submitted, shall be liable for payment of the full certificate purchase price, plus any applicable premium and less any applicable discount, of the tax certificate or certificates, and shall be disqualified from participating in any tax certificate sale conducted in the county during the next five years.

(3) A tax certificate shall not be sold to the owner of the certificate parcel or to any corporation, partnership, or association in which such owner has an interest. No person that purchases a tax certificate in a negotiated sale shall assign or transfer the tax certificate to the owner of the certificate parcel or to any corporation, partnership, or association in which the owner



has an interest. Any person that knowingly or negligently transfers or assigns such a tax certificate to the owner of the certificate parcel or to any corporation, partnership, or association in which such owner has an interest shall be liable for payment of the full certificate purchase price, plus any applicable premium and less any applicable discount, and shall not be entitled to a refund of any amount paid. Such tax certificate shall be deemed void and the tax lien sold under such tax certificate shall revert to the county as if no sale of such tax certificate had occurred.

(F) The purchaser in a negotiated sale under this section shall deliver the certificate purchase price, plus any applicable premium and less any applicable discount and including any noncash consideration, to the county treasurer not later than the close of business on the date the tax certificates are delivered to the purchaser. The certificate purchase price, plus any applicable premium and less any applicable discount, or portion of the price, that is paid in cash shall be deposited in the county's general fund to the credit of the account to which ad valorem real property taxes are credited and further credited as provided in division (G) of this section. The purchaser shall also pay on the date the tax certificates are delivered to the purchaser the fee, if any, negotiated under division (J) of this section. If the purchaser fails to pay the certificate purchase price, plus any applicable premium and less any applicable discount, and any such fee within the time periods required by this section, the county treasurer shall retain the tax certificate and may attempt to sell it at any auction or negotiated sale conducted at a later date.

(G) Upon receipt of the full payment of the certificate purchase price, plus any applicable premium and less any applicable discount, and the negotiated fee, if any, from the purchaser, the county treasurer, or a qualified trustee whom the treasurer has engaged for such purpose, shall issue the tax certificate and record the tax certificate sale by marking on each of the tax certificates sold or, if issued in book-entry form, on the global tax certificate, and marking into a tax certificate register, the certificate purchase price, any premium paid or discount taken, the certificate rate of interest, the date the certificates were sold, and the name and address of the certificate holder or, in the case of issuance of the tax certificates in a book-entry system, of the nominee, which may be, upon receipt of instructions from the purchaser, the secured party of the actual purchaser, or an agent or custodian for the purchaser or secured party. The county treasurer also shall transfer the tax certificates to the certificate holder and, upon presentation to the treasurer of instructions signed by the certificate purchaser or purchasers, shall record in the tax certificate register

the name and address of any secured party of the certificate purchaser or purchasers having a security interest in the tax certificate. Upon the transfer of the tax certificates, the county treasurer shall ~~credit~~ apportion the part of the cash proceeds from the sale representing taxes, penalties, and interest among the several taxing districts in the same proportion that the amount of taxes levied by each district against the certificate parcels in the preceding tax year bears to the taxes levied by all such districts against the certificate parcels in the preceding tax year, and credit the part of the proceeds representing assessments and other charges to the items of ~~taxes, assessments, penalties, interest, and charges~~ in the order in which those items became due. If the cash proceeds from the sale are not sufficient to fully satisfy, ~~in the order in which it became due, an item~~ the items of outstanding delinquent taxes, assessments, penalties, interest, and charges on the certificate parcels against which tax certificates were sold, the county treasurer shall credit the cash proceeds to such items pro rata based upon the proportion that each such item of delinquent taxes, assessments, penalties, interest, and charges bears to the aggregate of all such items, or by any other method that the county treasurer, in the treasurer's sole discretion, determines is equitable. Upon completion of the sale of the tax certificates, the delinquent taxes, assessments, penalties, and interest that make up the certificate purchase price are transferred, and the superior lien of the state and its taxing districts for those taxes, assessments, penalties, and interest is conveyed intact to the certificate holder or holders.

(H) If a tax certificate is offered for sale under this section but is not sold, the county treasurer may strike the corresponding certificate parcel from the list of parcels selected for tax certificate sales. The lien for taxes, assessments, charges, penalties, and interest against a parcel stricken from the list thereafter may be foreclosed in the manner prescribed by section 323.25, 5721.14, or 5721.18 of the Revised Code unless, prior to the institution of such proceedings against the parcel, the county treasurer restores the parcel to the list of parcels selected for tax certificate sales.

(I) Neither a certificate holder nor its secured party, if any, shall be liable for damages arising from a violation of sections 3737.87 to 3737.891 or Chapter 3704, 3734., 3745., 3746., 3750., 3751., 3752., 6109., or 6111. of the Revised Code, or a rule adopted or order, permit, license, variance, or plan approval issued under any of those chapters, that is or was committed by another person in connection with the parcel for which the tax certificate is held.

(J) When selling a tax certificate under this section, the county treasurer may negotiate with the purchaser of the certificate for a fee paid by the

purchaser to the treasurer to reimburse the treasurer for any part or all of the treasurer's costs of preparing for and administering the sale of the tax certificate. Such fee, if any, shall be added to the certificate purchase price of the certificate and shall be paid by the purchaser on the date of delivery of the tax certificate. The treasurer shall deposit the fee in the county treasury to the credit of the tax certificate administration fund.

(K) After selling tax certificates under this section, the county treasurer shall send written notice by certified or registered mail to the last known address of the owner of the certificate parcel. The notice shall inform the owner that a tax certificate with respect to such owner's parcel was sold and shall describe the owner's options to redeem the parcel, including entering into a redemption payment plan under division (C)(2) of section 5721.38 of the Revised Code.

Sec. 5722.03. (A) On and after the effective date of an ordinance or resolution adopted pursuant to section 5722.02 of the Revised Code, nonproductive land within an electing subdivision's boundaries that the subdivision wishes to acquire and that has been advertised and offered for sale pursuant to a foreclosure proceeding as provided in section 323.25 or 5721.18 of the Revised Code, but is not sold for want of a minimum bid, shall be sold to the electing subdivision in the manner set forth in this section.

(B) Upon receipt of an ordinance or resolution under section 5722.02 of the Revised Code, the county prosecuting attorney shall compile and deliver to the electing subdivision a list of all delinquent land within the electing subdivision with respect to which a foreclosure proceeding pursuant to section 323.25 or 5721.18 of the Revised Code has been instituted and is pending. The prosecuting attorney shall notify the electing subdivision of the identity of all delinquent land within the subdivision whenever a foreclosure proceeding pursuant to section 323.25 or 5721.18 of the Revised Code is commenced with respect to that land.

(C) The electing subdivision shall select from such lists the delinquent lands that constitute nonproductive lands that it wishes to acquire, and shall notify the prosecuting attorney of its selection prior to the advertisement and sale of the nonproductive lands pursuant to such a foreclosure proceeding. Notwithstanding the sales price provisions to the contrary in division (A) of section 323.28 or in divisions (A)(1) and (C) of section 5721.19 of the Revised Code, selected nonproductive lands subject to a foreclosure proceeding pursuant to section 323.25 or 5721.18 of the Revised Code shall be advertised for sale and be sold, without appraisal, for not less than the amount determined under division (A)(1) of section 323.28 of the Revised

Code in the case of selected nonproductive lands subject to a foreclosure proceeding pursuant to section 323.25 of the Revised Code, or the amount determined under division (A)(2) of section 5721.19 in the case of selected nonproductive lands subject to a foreclosure proceeding pursuant to section 5721.18 of the Revised Code. All nonproductive lands so selected, when advertised for sale pursuant to a foreclosure proceeding, shall be advertised separately from the advertisement applicable to other delinquent lands. Notwithstanding division (A) of section 5721.191 of the Revised Code, the minimum amount for which selected nonproductive lands subject to a foreclosure proceeding pursuant to section 5721.18 of the Revised Code will be sold, as specified in the advertisement for sale, shall equal the sum of the taxes, assessments, charges, penalties, interest, and costs due on the parcel as determined under division (A)(2) of section 5721.19 of the Revised Code. Notwithstanding provisions to the contrary in division (A) of section 323.28 of the Revised Code, the minimum amount for which selected nonproductive lands subject to a foreclosure proceeding pursuant to section 323.25 of the Revised Code will be sold, as specified in the advertisement for sale, shall equal the amount specified in division (A)(1) of section 323.28 of the Revised Code. The advertisement relating to the selected nonproductive lands also shall include a statement that the lands have been determined by the electing subdivision to be nonproductive lands and that, if at a foreclosure sale no bid for the appropriate amount specified in this division is received, such lands shall be sold to the electing subdivision.

(D) If any nonproductive land selected by an electing subdivision is advertised and offered for sale at two sales pursuant to this section but is not sold for want of a minimum bid, the electing subdivision that selected the nonproductive land shall be deemed to have submitted the winning bid at the second sale for the land, and the land is deemed sold to the electing subdivision for no consideration other than the fee charged under division (F) of this section. If both a county and a township within that county have adopted a resolution pursuant to section 5722.02 of the Revised Code and both subdivisions select the same parcel or parcels of land, the subdivision that first notifies the prosecuting attorney of such selection shall be the electing subdivision deemed to have submitted the winning bid under this division. The officer conducting the sale shall announce the bid of the electing subdivision at the sale and shall report the proceedings to the court for confirmation of sale.

(E) Upon the sale of any nonproductive land to an electing subdivision, the county auditor shall charge the costs, as determined by the court, incurred in the foreclosure proceeding instituted under section 323.25 or

5721.18 of the Revised Code and applicable to the nonproductive land to the taxing districts, including the electing subdivision, in direct proportion to their interest in the taxes, assessments, charges, penalties, and interest on the nonproductive land due and payable at the time the land was sold pursuant to the foreclosure proceeding. The interest of each taxing district in the taxes, assessments, charges, penalties, and interest on the nonproductive land shall bear the same proportion to the amount of those taxes, assessments, charges, penalties, and interest that the amount of taxes levied by each district against the nonproductive land in the preceding tax year bears to the taxes levied by all such districts against the nonproductive land in the preceding tax year. In making a semiannual apportionment of funds, the auditor shall retain at the next apportionment the amount charged to each such taxing district.

(F) Unless the nonproductive land is redeemed pursuant to section 323.31 or 5721.25 of the Revised Code, upon the filing of the entry of confirmation of sale, the officer conducting the sale shall execute and file for recording a deed conveying title to the land and, once the deed has been recorded, deliver the deed to the electing subdivision; thereupon, title to the land is incontestable in the electing subdivision and free and clear of all liens and encumbrances, except those easements and covenants of record running with the land and created prior to the time at which the taxes or assessments, for the nonpayment of which the land is sold at foreclosure, became due and payable. At the time of the sale, the officer shall collect and the electing subdivision shall pay the fee required by law for transferring and recording of deeds.

The title is not invalid because of any irregularity, informality, or omission of any proceedings under section 323.25, this chapter, or Chapter 5721. of the Revised Code, or in any processes of taxation, if such irregularity, informality, or omission does not abrogate any provision of such chapters for notice to holders of title, lien, or mortgage to, or other interests in, the foreclosed lands.

Sec. 5722.04. (A) Upon receipt of an ordinance or resolution adopted pursuant to section 5722.02 of the Revised Code, the county auditor shall deliver to the electing subdivision a list of all delinquent lands within an electing subdivision's boundaries that have been forfeited to the state pursuant to section 5723.01 of the Revised Code and thereafter shall notify the electing subdivision of any additions to or deletions from such list.

The electing subdivision shall select from such lists the forfeited lands that constitute nonproductive lands that the subdivision wishes to acquire, and shall notify the county auditor of its selection prior to the advertisement

and sale of such lands. Notwithstanding the sales price provisions of division (A)(1) of section 5723.06 of the Revised Code, the selected nonproductive lands shall be advertised for sale and be sold to the highest bidder for an amount at least sufficient to pay the amount determined under division (A)(2) of section 5721.16 of the Revised Code. All nonproductive lands forfeited to the state and selected by an electing subdivision, when advertised for sale pursuant to the relevant procedures set forth in Chapter 5723. of the Revised Code, shall be advertised separately from the advertisement applicable to other forfeited lands. The advertisement relating to the selected nonproductive lands also shall include a statement that the lands have been selected by the electing subdivision as nonproductive lands that it wishes to acquire and that, if at the forfeiture sale no bid for the sum of the taxes, assessments, charges, penalties, interest, and costs due on the parcel as determined under division (A)(1)(a) of section 5723.06 of the Revised Code is received, the lands shall be sold to the electing subdivision.

(B) If any nonproductive land that has been forfeited to the state and selected by an electing subdivision is advertised and offered for sale by the auditor pursuant to Chapter 5723. of the Revised Code, but no minimum bid is received, the electing subdivision shall be deemed to have submitted the winning bid, and the land is deemed sold to the electing subdivision for no consideration other than the fee charged under division (C) of this section. If both a county and a township in that county have adopted a resolution pursuant to section 5722.02 of the Revised Code and both subdivisions select the same parcel or parcels of land, the subdivision that first notifies the county auditor of such selection shall be the electing subdivision deemed to have submitted the winning bid under this division.

The auditor shall announce the bid at the sale and shall declare the selected nonproductive land to be sold to the electing subdivision. The auditor shall deliver to the electing subdivision a certificate of sale.

(C) On the returning of the certificate of sale to the auditor, the auditor shall execute and file for recording a deed conveying title to the selected nonproductive land and, once the deed has been recorded, deliver it to the electing subdivision. Thereupon, all previous title is extinguished, and the title in the electing subdivision is incontestable and free and clear from all liens and encumbrances, except taxes and special assessments that are not due at the time of the sale and any easements and covenants of record running with the land and created prior to the time at which the taxes or assessments, for the nonpayment of which the nonproductive land was forfeited, became due and payable. At the time of the sale, the auditor shall collect and the electing subdivision shall pay the fee required by law for

transferring and recording of deeds.

Upon delivery of a deed conveying any nonproductive land to an electing subdivision, the county auditor shall charge all costs incurred in any proceeding instituted under section 5721.14 or 5721.18 of the Revised Code or incurred as a result of the forfeiture and sale of the nonproductive land to the taxing districts, including the electing subdivision, in direct proportion to their interest in the taxes, assessments, charges, interest, and penalties on the nonproductive land due and payable at the time the land was sold at the forfeiture sale. The interest of each taxing district in the taxes, assessments, charges, penalties, and interest on the nonproductive land shall bear the same proportion to the amount of those taxes, assessments, charges, penalties, and interest that the amount of taxes levied by each district against the nonproductive land in the preceding tax year bears to the taxes levied by all such districts against the nonproductive land in the preceding tax year. In making a semiannual apportionment of funds, the auditor shall retain at the next apportionment the amount charged to each such taxing district.

SECTION 2. That existing sections 319.45, 319.50, 321.31, 323.31, 5705.03, 5719.05, 5721.19, 5721.25, 5721.32, 5721.33, 5722.03, and 5722.04 of the Revised Code are hereby repealed.

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*Speaker \_\_\_\_\_ of the House of Representatives.*

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*President \_\_\_\_\_ of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

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*Governor.*



The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

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*Director, Legislative Service Commission.*

Filed in the office of the Secretary of State at Columbus, Ohio, on the \_\_\_ day of \_\_\_\_\_, A. D. 20\_\_\_\_.

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*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_