As Reported by the Senate Judiciary--Civil Justice Committee

127th General Assembly Regular Session 2007-2008

Sub. H. B. No. 138

Representatives Foley, Blessing

Cosponsors: Representatives Domenick, Skindell, Hagan, R., McGregor, J., Ujvagi, Budish, Lundy, Stebelton, Raussen, Yuko, DeGeeter, Collier, Combs, Letson, Luckie, Harwood, Strahorn, Stewart, D., Driehaus, White, Garrison, Miller, Bolon, Brady, Boyd, Seitz, Bacon, Beatty, Celeste, Chandler, DeBose, Dyer, Evans, Fende, Goyal, Healy, Heard, Hite, Huffman, Hughes, Koziura, Mallory, Okey, Otterman, Peterson, Schneider, Setzer, Szollosi, Uecker,

Webster, Williams, B., Yates Senators Faber, Goodman, Seitz, Buehrer, Fedor

A BILL

| То | amend sections 323.25, 323.28, 323.47, 2303.11, | 1 |
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| | 2323.07, 2327.01, 2327.02, 2329.17, 2329.18, | 2 |
| | 2329.19, 2329.23, 2329.26, 2329.27, 2329.30, | 3 |
| | 2329.31, 2329.36, 2703.26, 5309.64, 5721.18, | 4 |
| | 5721.19, and 5723.01 and to enact sections | 5 |
| | 2323.06, 2329.191, 2329.271, 2329.272, and | 6 |
| | 2703.141 of the Revised Code to require purchasers | 7 |
| | of real property at a judicial sale to provide | 8 |
| | certain identifying information, to require | 9 |
| | purchasers to pay the balance due on the purchase | 10 |
| | price within thirty days of the confirmation of | 11 |
| | the sale, to allow municipal corporations to | 12 |
| | conduct inspections of property subject to a writ | 13 |
| | of execution, to require judicial sales to be | 14 |
| | confirmed within thirty days of sale, to require | 15 |
| | officers who sell real property at a judicial sale | 16 |

| to file a deed within fourteen days of payment of | 17 |
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| the balance due on the purchase price, to | 18 |
| authorize courts and county boards of revision to | 19 |
| transfer certain tax delinquent lands subject to | 20 |
| judicial foreclosure without appraisal or sale, to | 21 |
| permit a summary property description to be read | 22 |
| at a judicial sale, to allow the courts to perform | 23 |
| mediation in an action for the foreclosure of a | 24 |
| mortgage, and to offer property that did not sell | 25 |
| at a judicial sale to a political subdivision | 26 |
| before forfeiture to the state. | 27 |
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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

| Section 1. That sections 323.25, 323.28, 323.47, 2303.11, | 29 |
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| 2323.07, 2327.01, 2327.02, 2329.17, 2329.18, 2329.19, 2329.23, | 30 |
| 2329.26, 2329.27, 2329.30, 2329.31, 2329.36, 2703.26, 5309.64, | 31 |
| 5721.18, 5721.19, and 5723.01 be amended and sections 2323.06, | 32 |
| 2329.191, 2329.271, 2329.272, and 2703.141 of the Revised Code be | 33 |
| enacted to read as follows: | 34 |

Sec. 323.25. When taxes charged against an entry on the tax 35 duplicate, or any part of such those taxes, are not paid within 36 sixty days after delivery of the delinquent land duplicate to the 37 county treasurer as prescribed by section 5721.011 of the Revised 38 Code, the county treasurer shall enforce the lien for such the 39 taxes by civil action in the treasurer's official capacity as 40 treasurer, for the sale of such premises in the same way mortgage 41 liens are enforced or for the transfer of such premises to an 42 electing subdivision pursuant to section 323.28 of the Revised 43 Code, in the court of common pleas of the county in the same way 44 mortgage liens are enforced, in a municipal court with 45

jurisdiction, or in the county board of revision with jurisdiction pursuant to section 323.66 of the Revised Code. After the civil action has been instituted, but before the filing of an entry of confirmation of sale or transfer pursuant to the action, any person entitled to redeem the land may do so by tendering to the county treasurer an amount sufficient, as determined by the court or board of revision, to pay the taxes, assessments, penalties, interest, and charges then due and unpaid, and the costs incurred in the civil action, and by demonstrating that the property is in compliance with all applicable zoning regulations, land use restrictions, and building, health, and safety codes.

If the delinquent land duplicate lists minerals or rights to minerals listed pursuant to sections 5713.04, 5713.05, and 5713.06 of the Revised Code, the county treasurer may enforce the lien for taxes against such minerals or rights to minerals by civil action, in the treasurer's official capacity as treasurer, in the manner prescribed by this section, or proceed as provided under section 5721.46 of the Revised Code.

If service by publication is necessary, such publication shall be made once a week for three consecutive weeks instead of as provided by the Rules of Civil Procedure, and the service shall be complete at the expiration of three weeks after the date of the first publication. If the prosecuting attorney determines that service upon a defendant may be obtained ultimately only by publication, the prosecuting attorney may cause service to be made simultaneously by certified mail, return receipt requested, ordinary mail, and publication. The county treasurer shall not enforce the lien for taxes against real property to which any of the following applies:

(A) The real property is the subject of an application for exemption from taxation under section 5715.27 of the Revised Code and does not appear on the delinquent land duplicate;

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- (B) The real property is the subject of a valid delinquent 78 tax contract under section 323.31 of the Revised Code for which 79 the county treasurer has not made certification to the county 80 auditor that the delinquent tax contract has become void in 81 accordance with that section; 82
- (C) A tax certificate respecting that property has been sold under section 5721.32 or 5721.33 of the Revised Code; provided, however, that nothing in this division shall prohibit the county treasurer or the county prosecuting attorney from enforcing the lien of the state and its political subdivisions for taxes against a certificate parcel with respect to any or all of such taxes that at the time of enforcement of such lien are not the subject of a tax certificate.

Upon application of the plaintiff, the court shall advance 91 such cause on the docket, so that it may be first heard. 92

Sec. 323.28. (A) A finding shall be entered in a proceeding 93 under section 323.25 of the Revised Code for taxes, assessments, 94 penalties, interest, and charges due and payable at the time the 95 deed of real property sold or transferred under this section is 96 transferred to the purchaser or transferee, plus the cost of the 97 proceeding. For purposes of determining such amount, the county 98 treasurer may estimate the amount of taxes, assessments, interest, 99 penalties, and costs that will be payable at the time the deed of 100 the property is transferred to the purchaser or transferee. 101

The court of common pleas, a municipal court with
jurisdiction, or the county board of revision with jurisdiction
pursuant to section 323.66 of the Revised Code shall order such
premises to be transferred pursuant to division (E) of this
section or shall order such premises to be sold for payment of the
finding, but for not less than either of the following, unless the
county treasurer applies for an appraisal:

- (1) The total amount of such finding; 109
- (2) The fair market value of the premises, as determined by
 the county auditor, plus the cost of the proceeding.

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If the county treasurer applies for an appraisal, the 112 premises shall be appraised in the manner provided by section 113 2329.17 of the Revised Code, and shall be sold for at least 114 two-thirds of the appraised value. 115

Notwithstanding the minimum sales price provisions of 116 divisions (A)(1) and (2) of this section to the contrary, a parcel 117 sold pursuant to this section shall not be sold for less than the 118 amount described in division (A)(1) of this section if the highest 119 bidder is the owner of record of the parcel immediately prior to 120 the judgment of foreclosure or a member of the following class of 121 parties connected to that owner: a member of that owner's 122 immediate family, a person with a power of attorney appointed by 123 that owner who subsequently transfers the parcel to the owner, a 124 sole proprietorship owned by that owner or a member of his the 125 owner's immediate family, or partnership, trust, business trust, 126 corporation, or association in which the owner or a member of his 127 the owner's immediate family owns or controls directly or 128 indirectly more than fifty per cent. If a parcel sells for less 129 than the amount described in division (A)(1) of this section, the 130 officer conducting the sale shall require the buyer to complete an 131 affidavit stating that the buyer is not the owner of record 132 immediately prior to the judgment of foreclosure or a member of 133 the specified class of parties connected to that owner, and the 134 affidavit shall become part of the court records of the 135 proceeding. If the county auditor discovers within three years 136 after the date of the sale that a parcel was sold to that owner or 137 a member of the specified class of parties connected to that owner 138 for a price less than the amount so described, and if the parcel 139 is still owned by that owner or a member of the specified class of 140

parties connected to that owner, the auditor within thirty days

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after such discovery shall add the difference between that amount

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and the sale price to the amount of taxes that then stand charged

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against the parcel and is payable at the next succeeding date for

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payment of real property taxes. As used in this paragraph,

"immediate family" means a spouse who resides in the same

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household and children.

- (B) From the proceeds of the sale the costs shall be first 148 paid, next the amount found due for taxes, then the amount of any 149 taxes accruing after the entry of the finding and before the deed 150 of the property is transferred to the purchaser following the 151 sale, all of which taxes shall be deemed satisfied, though the 152 amount applicable to them is deficient, and any balance shall be 153 distributed according to section 5721.20 of the Revised Code. No 154 statute of limitations shall apply to such action. Upon sale, all 155 liens for taxes due at the time the deed of the property is 156 transferred to the purchaser following the sale, and liens 157 subordinate to liens for taxes, shall be deemed satisfied and 158 discharged unless otherwise provided by the order of sale. 159
- (C) If the county treasurer's estimate of the amount of the 160 finding under division (A) of this section exceeds the amount of 161 taxes, assessments, interest, penalties, and costs actually 162 payable when the deed is transferred to the purchaser, the officer 163 who conducted the sale shall refund to the purchaser the 164 difference between the estimate and the amount actually payable. 165 If the amount of taxes, assessments, interest, penalties, and 166 costs actually payable when the deed is transferred to the 167 purchaser exceeds the county treasurer's estimate, the officer 168 shall certify the amount of the excess to the treasurer, who shall 169 enter that amount on the real and public utility property tax 170 duplicate opposite the property; the amount of the excess shall be 171 payable at the next succeeding date prescribed for payment of 172

(F) Whenever the officer charged to conduct the sale offers

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| any parcel for sale, the officer first shall read aloud a complete | 205 |
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| legal description of the parcel, or in the alternative, may read | 206 |
| aloud only a summary description and a parcel number if the county | 207 |
| has adopted a permanent parcel number system and if the | 208 |
| advertising notice published prior to the sale includes a complete | 209 |
| legal description or indicates where the complete legal | 210 |
| description may be obtained | 211 |

Sec. 323.47. (A) If land held by tenants in common is sold 212 upon proceedings in partition, or taken by the election of any of 213 the parties to such proceedings, or real estate is sold at 214 judicial sale, or by administrators, executors, guardians, or 215 trustees, the court shall order that the taxes, penalties, and 216 assessments then due and payable, and interest thereon on those 217 taxes, penalties, and assessments, that are or will be a lien on 218 such land or real estate at the time the deed is transferred 219 following the sale, be discharged out of the proceeds of such sale 220 or election. For purposes of determining such amount, the county 221 treasurer may shall estimate the amount of taxes, assessments, 222 interest, and penalties that will be payable at the time the deed 223 of the property is transferred to the purchaser. If the county 224 treasurer's estimate exceeds the amount of taxes, assessments, 225 interest, and penalties actually payable when the deed is 226 transferred to the purchaser, the officer who conducted the sale 227 shall refund to the purchaser the difference between the estimate 228 and the amount actually payable. If the amount of taxes, 229 assessments, interest, and penalties actually payable when the 230 deed is transferred to the purchaser exceeds the county 231 treasurer's estimate, the officer shall certify the amount of the 232 excess to the treasurer, who shall enter that amount on the real 233 and public utility property tax duplicate opposite the property; 234 the amount of the excess shall be payable at the next succeeding 235 date prescribed for payment of taxes in section 323.12 of the 236

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| Sec. 2323.06. In an action for the foreclosure of a mortgage, | 268 |
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| the court may at any stage in the action require the mortgagor and | 269 |
| the mortgagee to participate in mediation as the court considers | 270 |
| appropriate and may include a stipulation that requires the | 271 |
| mortgagor and the mortgagee to appear at the mediation in person. | 272 |
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| Sec. 2323.07. When a mortgage is foreclosed or a specific | 273 |
| lien enforced, a sale of the property, or a transfer of property | 274 |
| pursuant to sections 323.28, 323.65 to 323.78, and 5721.19 of the | 275 |
| Revised Code, shall be ordered by the court having jurisdiction or | 276 |
| the county board of revision with jurisdiction pursuant to section | 277 |
| 323.66 of the Revised Code. | 278 |
| When the real property to be sold is in one or more tracts, | 279 |
| the court may order the officer who makes the sale to subdivide, | 280 |
| appraise, and sell them in parcels, or sell any one of the tracts | 281 |
| as a whole. | 282 |
| When the mortgaged property is situated in more than one | 283 |
| county, the court may order the sheriff or master of each county | 284 |
| to make sale of the property in his the sheriff's or master's | 285 |
| county, or may direct one officer to sell the whole. When it | 286 |
| consists of a single tract, the court may direct that it be sold | 287 |
| as one tract or in separate parcels, and shall direct whether | 288 |
| appraisers shall be selected for each county or one set for all; | 289 |
| and whether publication of the sale shall be made in all the | 290 |
| counties, or in one county only. | 291 |
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| Sec. 2327.01. An execution is a process of a court, issued by | 292 |
| its clerk, the court itself, or the county board of revision with | 293 |

jurisdiction pursuant to section 323.66 of the Revised Code, and

the sheriffs of different counties at the same time.

directed to the sheriff of the county. Executions may be issued to

| Sec. 2327.02. (A) Executions are of three kinds: | 297 |
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| $\frac{(A)}{(1)}$ Against the property of the judgment debtor, including | 298 |
| orders of sale or orders to transfer property pursuant to sections | 299 |
| 323.28, 323.65 to 323.78, and 5721.19 of the Revised Code; | 300 |
| $\frac{(B)(2)}{(B)}$ Against the person of the judgment debtor; | 301 |
| $\frac{(C)(3)}{(3)}$ For the delivery of the possession of real property, | 302 |
| including real property sold under orders of sale or transferred | 303 |
| under orders to transfer property pursuant to sections 323.28, | 304 |
| 323.65 to 323.78, and 5721.19 of the Revised Code. | 305 |
| (B) The writ must shall contain a specific description of the | 306 |
| property, and a command to the sheriff to deliver it to the person | 307 |
| entitled thereto to the property. It also may require such the | 308 |
| sheriff to make the damages recovered for withholding the | 309 |
| possession and costs, or costs alone, out of the property of the | 310 |
| person who so withholds it. | 311 |
| (C) In the case of foreclosures of real property, including | 312 |
| foreclosures for taxes, mortgages, judgment liens, and other valid | 313 |
| liens, the description of the property, the order of sale, order | 314 |
| to transfer, and any deed or deed forms may be prepared, adopted, | 315 |
| and otherwise approved in advance by the court having jurisdiction | 316 |
| or the county board of revision with jurisdiction pursuant to | 317 |
| section 323.66 of the Revised Code, directly commanding the | 318 |
| sheriff to sell, convey, or deliver possession of the property as | 319 |
| commanded in that order. In those cases, the clerk shall | 320 |
| journalize the order and deliver that writ or order to the sheriff | 321 |
| for execution. If the property is sold under an order of sale or | 322 |
| transferred under an order to transfer, the officer who conducted | 323 |
| the sale or made the transfer of the property shall collect the | 324 |
| recording fee and any associated costs to cover the recording from | 325 |
| the purchaser or transferee at the time of the sale or transfer | 326 |
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| payment of the balance due on the purchase price of the property, | 328 |
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| shall execute and record the deed conveying title to the property | 329 |
| to the purchaser or transferee. For purposes of recording that | 330 |
| deed, by placement of a bid or making a statement of interest by | 331 |
| any party ultimately awarded the property, the purchaser or | 332 |
| transferee thereby appoints the officer who makes the sale or is | 333 |
| charged with executing and delivering the deed as agent for that | 334 |
| purchaser or transferee for the sole purpose of accepting delivery | 335 |
| of the deed. | 336 |
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| Sec. 2329.17. (A) When execution is levied upon lands and | 337 |
| tenements, the officer who makes the levy shall call an inquest of | 338 |
| three disinterested freeholders, residents of the county where the | 339 |
| lands taken in execution are situated, and administer to them an | 340 |
| oath impartially to appraise the property so levied upon, upon | 341 |
| actual view. They forthwith shall return to such officer, under | 342 |
| their hands, an estimate of the real value of the property in | 343 |
| money. | 344 |
| (B) The municipal corporation or township in which the real | 345 |
| property is situated may inspect prior to the judicial sale any | 346 |
| structures located on lands subject to a writ of execution. | 347 |
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| Sec. 2329.18. When an officer receives the return provided | 348 |
| for in <u>division (A) of</u> section 2329.17 of the Revised Code, he <u>the</u> | 349 |
| officer forthwith shall deposit a copy of it with the clerk of the | 350 |
| court from which the writ issued, and immediately advertise and | 351 |
| sell such real estate in conformity with sections 2329.01 to | 352 |
| 2329.61 , inclusive, of the Revised Code. | 353 |
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Sec. 2329.19. Upon the return of the estimate provided for in

division (A) of section 2329.17 of the Revised Code, if it appears

by the inquisition that two thirds of the appraised value of the

lands and tenements levied upon is sufficient to satisfy the

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| execution, with costs, the judgment on which the execution issued | 358 |
| shall not operate as a lien on the residue of the debtor's estate | 359 |
| to the prejudice of any other judgment creditor. | 360 |
| Sec. 2329.191. (A) As used in this section, "title insurance | 361 |
| company" has the same meaning as in section 3953.01 of the Revised | 362 |
| Code. | 363 |
| (B) In every action demanding the judicial sale of | 364 |
| residential real estate consisting of one to four single-family | 365 |
| units, the party seeking that judicial sale shall file with the | 366 |
| clerk of the court of common pleas within fourteen days after | 367 |
| filing the pleadings requesting relief a preliminary judicial | 368 |
| report on a form that is approved by the department of insurance | 369 |
| that is prepared and issued by a duly licensed title insurance | 370 |
| agent on behalf of a licensed title insurance company or by a | 371 |
| title insurance company that is authorized by the department of | 372 |
| insurance to transact business in this state. The preliminary | 373 |
| judicial report shall be effective within thirty days prior to the | 374 |
| filing of the complaint or other pleading requesting a judicial | 375 |
| sale and shall include at least all of the following: | 376 |
| (1) A legal description of each parcel of real estate to be | 377 |
| sold at the judicial sale; | 378 |
| (2) The street address of the real estate or, if there is no | 379 |
| street address, the name of the street or road upon which the real | 380 |
| estate fronts together with the names of the streets or roads | 381 |
| immediately to the north and south or east and west of the real | 382 |
| <u>estate;</u> | 383 |
| (3) The county treasurer's permanent parcel number or other | 384 |
| tax identification number of the real estate; | 385 |
| (4) The name of the owners of record of the real estate to be | 386 |
| sold: | 387 |

| (5) A reference to the volume and page or instrument number | 388 |
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| of the recording by which the owners acquired title to the real | 389 |
| <u>estate;</u> | 390 |
| (6) A description of the record title to the real estate; | 391 |
| however, easements, restrictions, setback lines, declarations, | 392 |
| conditions, covenants, reservations, and rights-of-way that were | 393 |
| filed for record prior to the lien being foreclosed are not | 394 |
| required to be included; | 395 |
| (7) The name and address of each lienholder and the name and | 396 |
| address of each lienholder's attorney, if any, as shown on the | 397 |
| recorded lien of the lienholder. | 398 |
| Prior to submitting any order or judgment entry to a court | 399 |
| that would order the sale of the residential real estate, the | 400 |
| party submitting the order or judgment entry shall file with the | 401 |
| clerk of the court of common pleas a final judicial report that | 402 |
| updates the state of the record title to that real estate from the | 403 |
| effective date of the preliminary judicial report through the date | 404 |
| of lis pendens and includes a copy of the court's docket for the | 405 |
| case. The cost of the title examination necessary for the | 406 |
| preparation of both the preliminary judicial report and the final | 407 |
| judicial report together with the premiums for those reports | 408 |
| computed as required by the department of insurance, based on the | 409 |
| fair market value of the real estate, or in the case of a | 410 |
| foreclosure, the principal balance of the mortgage or other lien | 411 |
| being foreclosed on or any other additional amount as may be | 412 |
| ordered by the court shall be taxed as costs in the case. | 413 |
| (C) In every action demanding the judicial sale of | 414 |
| residential real estate consisting of more than four single-family | 415 |
| units or of commercial real estate, the party seeking that | 416 |
| judicial sale shall file with the clerk of the court of common | 417 |
| pleas within fourteen days after filing the pleadings requesting | 418 |
| relief either a preliminary judicial report or a commitment for an | 419 |

| owner's fee policy of title insurance on the form approved by the | 420 |
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| department of insurance that is prepared and issued by a duly | 421 |
| licensed title insurance agent on behalf of a licensed title | 422 |
| insurance company. Division (B) of this section applies if the | 423 |
| party seeking the judicial sale files a preliminary judicial | 424 |
| report. If the party seeking the judicial sale files a commitment | 425 |
| for an owner's fee policy of title insurance, the commitment shall | 426 |
| have an effective date within fourteen days prior to the filing of | 427 |
| the complaint or other pleading requesting a judicial sale and | 428 |
| shall contain at least all of the information required in | 429 |
| divisions (B)(1) to (7) of this section. The commitment shall | 430 |
| cover each parcel of real estate to be sold, shall include the | 431 |
| amount of the successful bid at the judicial sale, shall show the | 432 |
| ourchaser at the judicial sale as the proposed insured, and shall | 433 |
| not expire until thirty days after the recordation of the deed by | 434 |
| the officer who makes the sale to that purchaser. After the | 435 |
| officer's return of the order of sale and prior to the | 436 |
| confirmation of the sale, the party requesting the order of sale | 437 |
| shall cause an invoice for the cost of the title insurance policy, | 438 |
| commitment cost related expenses, and cancellation fees, if any, | 439 |
| to be filed with the clerk of the court of common pleas. The | 440 |
| amount of the invoice shall be taxed as costs in the case. The | 441 |
| purchaser at the judicial sale may, by paying the premium for the | 442 |
| title insurance policy, obtain the issuance of title insurance in | 443 |
| accordance with the commitment. | 444 |

Sec. 2329.23. All notices and advertisements for the sale of
lands and tenements located in a municipal corporation, made by
virtue of the proceedings in a court of record therein, in
addition to a description of such the lands and tenements, shall
contain the street number of the buildings erected on the lands,
or the street number of the lots offered for sale. If no such
number exists, then the notice or advertisement must shall contain
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| the name of the street or road upon which such the lands and | 452 |
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| tenements are located, together with the names of the streets or | 453 |
| roads immediately north and south or east and west of such the | 454 |
| lands and tenements that cross or intersect the street or road | 455 |
| upon which they are located. The notice or advertisement shall, if | 456 |
| applicable, include the web site address of the officer who makes | 457 |
| the sale that allows a person to obtain a complete legal | 458 |
| description of the lands and tenements. | 459 |
| Sec. 2329.26. (A) Lands and tenements taken in execution | 460 |
| shall not be sold until both all of the following occur: | 461 |
| (1)(a) Except as otherwise provided in division (A)(1)(b) of | 462 |
| this section, the judgment creditor who seeks the sale of the | 463 |
| lands and tenements or the judgment creditor's attorney does both | 464 |
| of the following: | 465 |
| (i) Causes a written notice of the date, time, and place of | 466 |
| the sale to be served in accordance with divisions (A) and (B) of | 467 |
| Civil Rule 5 upon the judgment debtor and upon each other party to | 468 |
| the action in which the judgment giving rise to the execution was | 469 |
| rendered; | 470 |
| (ii) At least seven calendar days prior to the date of the | 471 |
| sale, files with the clerk of the court that rendered the judgment | 472 |
| giving rise to the execution a copy of the written notice | 473 |
| described in division (A)(1)(a)(i) of this section with proof of | 474 |
| service endorsed on the copy in the form described in division (D) | 475 |
| of Civil Rule 5. | 476 |
| (b) Service of the written notice described in division | 477 |
| (A)(1)(a)(i) of this section is not required to be made upon any | 478 |
| party who is in default for failure to appear in the action in | 479 |
| which the judgment giving rise to the execution was rendered. | 480 |
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(2) The officer taking the lands and tenements gives public

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| notice of the date, time, and place of the sale for at least | 482 |
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| thirty days three weeks before the day of sale by advertisement in | 483 |
| a newspaper published in and of general circulation in the county. | 484 |
| The court ordering the sale may designate in the order of sale the | 485 |
| newspaper in which this public notice shall be published, and this | 486 |
| public notice is subject to division (A) of section 2329.27 of the | 487 |
| Revised Code. | 488 |
| (3) The officer taking the lands and tenements shall collect | 489 |
| the purchaser's information required by section 2329.271 of the | 490 |
| Revised Code. | 491 |
| (B) A sale of lands and tenements taken in execution may be | 492 |
| set aside in accordance with division (B) of section 2329.27 of | 493 |
| the Revised Code. | 494 |
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| Sec. 2329.27. (A) When the public notice required by division | 495 |
| (A)(2) of section 2329.26 of the Revised Code is made in a | 496 |
| newspaper published weekly, it is sufficient to insert it for | 497 |
| three consecutive weeks. If both a daily and weekly edition of the | 498 |
| paper are published and the circulation of the daily in the county | 499 |
| exceeds that of the weekly in the county, or if the lands and | 500 |
| tenements taken in execution are situated in a city, both a daily | 501 |
| and weekly edition of the paper are published, and the circulation | 502 |
| of the daily in that city exceeds the circulation of the weekly in | 503 |
| that city, it is sufficient to publish the public notice in the | 504 |
| daily once a week for three consecutive weeks before the day of | 505 |
| sale, each insertion to be on the same day of the week. The | 506 |
| expense of that publication in a daily shall not exceed the cost | 507 |
| of publishing it in a weekly. | 508 |
| (B)(1) Subject to divisions (B)(2) and (3) of this section, | 509 |
| all sales of lands and tenements taken in execution that are made | 510 |
| | |

without compliance with the written notice requirements of

division (A)(1)(a) of section 2329.26 of the Revised Code $\frac{\text{and}}{L}$ the

| public notice requirements of division (A)(2) of that section, the | 513 |
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| purchaser information requirements of section 2329.271 of the | 514 |
| Revised Code, and division (A) of this section shall be set aside, | 515 |
| on motion by any interested party, by the court to which the | 516 |
| execution is returnable. | 517 |
| (2) Proof of service endorsed upon a copy of the written | 518 |
| notice required by division (A)(1)(a) of section 2329.26 of the | 519 |
| Revised Code shall be conclusive evidence of the service of the | 520 |
| written notice in compliance with the requirements of that | 521 |
| division, unless a party files a motion to set aside the sale of | 522 |
| the lands and tenements pursuant to division (B)(1) of this | 523 |
| section and establishes by a preponderance of the evidence that | 524 |
| the proof of service is fraudulent. | 525 |
| (3) If the court to which the execution is returnable enters | 526 |
| its order confirming the sale of the lands and tenements, the | 527 |
| order shall have both of the following effects: | 528 |
| (a) The order shall be deemed to constitute a judicial | 529 |
| finding as follows: | 530 |
| (i) That the sale of the lands and tenements complied with | 531 |
| the written notice requirements of division (A)(1)(a) of section | 532 |
| 2329.26 of the Revised Code and the public notice requirements of | 533 |
| division (A)(2) of that section and division (A) of this section, | 534 |
| or that compliance of that nature did not occur but the failure to | 535 |
| give a written notice to a party entitled to notice under division | 536 |
| (A)(1)(a) of section 2329.26 of the Revised Code has not | 537 |
| prejudiced that party; | 538 |
| (ii) That all parties entitled to notice under division | 539 |
| (A)(1)(a) of section 2329.26 of the Revised Code received adequate | 540 |
| notice of the date, time, and place of the sale of the lands and | 541 |
| tenements <u>:</u> | 542 |
| | |

(iii) That the purchaser has submitted the contact

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| residential rental property and the purchaser of those lands and | 572 |
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| tenements is a corporation, partnership, association, estate, | 573 |
| trust, or other business organization the only place of business | 574 |
| of which is in the county in which the real property is located, | 575 |
| the information required by divisions (A)(1)(a) and (c) of this | 576 |
| section shall be the contact information for the office of an | 577 |
| employee of the purchasing entity that is located in that county | 578 |
| and that the purchasing entity has designated to receive notices | 579 |
| or inquiries about the property. If the purchasing entity has a | 580 |
| place of business outside the county in which the real property is | 581 |
| located and the purchasing entity's principal place of business is | 582 |
| located in this state, the information required by divisions | 583 |
| (A)(1)(a) and (c) of this section shall be the contact information | 584 |
| for the office of an employee of the purchasing entity that is | 585 |
| located in this state and that the purchasing entity has | 586 |
| designated to receive notices or inquiries about the property. If | 587 |
| the purchasing entity's principal place of business is not located | 588 |
| in this state, the information required by divisions (A)(1)(a) and | 589 |
| (c) of this section shall be the contact information for a natural | 590 |
| person who is employed by the purchasing entity at the purchasing | 591 |
| entity's principal place of business outside of this state and | 592 |
| whom the purchasing entity has designated to receive notices or | 593 |
| inquiries about the property. | 594 |
| (B) The information required by division (A) of this section | 595 |
| shall be part of the sheriff's record of proceedings and shall be | 596 |
| part of the record of the court of common pleas. The information | 597 |
| is a public record and open to public inspection. | 598 |
| | |
| Sec. 2329.272. (A) The officer who will make the sale of | 599 |
| lands and tenements that are delinquent vacant tenements or | 600 |
| premises or abandoned tenements or premises may hold an open house | 601 |
| of the delinquent vacant tenements or premises or abandoned | 602 |
| tenements or premises to allow any person to view the delinquent | 603 |

| vacant tenements or premises or abandoned tenements or premises | 604 |
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| prior to the sale. The officer may include a notice of the open | 605 |
| house in the public notice of the date, time, and place of the | 606 |
| sale pursuant to section 2329.26 of the Revised Code. The officer | 607 |
| is not required to give those persons who view the delinquent | 608 |
| vacant tenements or premises or abandoned tenements or premises | 609 |
| any advice regarding the tenements or premises. | 610 |
| (B) The officer who makes the sale of lands and tenements | 611 |
| shall deduct any costs associated with holding the open house from | 612 |
| the proceeds of the sale of the lands and tenements. | 613 |
| (C) The officer who holds the open house is not liable as | 614 |
| provided in Chapter 2744. of the Revised Code for injury, death, | 615 |
| or loss to person or property that occurs at the open house. | 616 |
| Sec. 2329.30. The court from which an execution or order of | 617 |
| sale issues, upon notice and motion of the officer who makes the | 618 |
| sale, or of an interested party, shall may punish as for contempt | 619 |
| any purchaser of real property lands and tenements who fails to | 620 |
| pay within thirty days of the confirmation of the sale the | 621 |
| purchase money therefor balance due on the purchase price of the | 622 |
| lands and tenements by forfeiting the sale of the lands and | 623 |
| tenements and returning any deposit paid in connection with the | 624 |
| sale of the lands and tenements, by forfeiting any deposit paid in | 625 |
| connection with the sale of the lands and tenements, as for | 626 |
| contempt, or in any other manner the court considers appropriate. | 627 |
| Sec. 2329.31. (A) Upon the return of any writ of execution | 628 |
| for the satisfaction of which lands and tenements have been sold, | 629 |
| on careful examination of the proceedings of the officer making | 630 |
| the sale, if the court of common pleas finds that the sale was | 631 |
| made, in all respects, in conformity with sections 2329.01 to | 632 |
| 2329.61, inclusive, of the Revised Code, it shall, within thirty | 633 |

days of the return of the writ, direct the clerk of the court of 634 common pleas to make an entry on the journal that the court is 635 satisfied of the legality of such sale, and that the officer 636 attorney who filed the writ of execution make to the purchaser a 637 deed for the lands and tenements. Nothing in this section prevents 638 the court of common pleas from staying the confirmation of the 639 sale to permit a property owner time to redeem the property or for 640 any other reason that it determines is appropriate. In those 641 instances, the sale shall be confirmed within thirty days after 642 the termination of any stay of confirmation. 643

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(B) The officer making the sale shall require the purchaser,
including a lienholder, to pay within thirty days of the
confirmation of the sale the balance due on the purchase price of
the lands and tenements.

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Sec. 2329.36. An officer, including a master commissioner and 649 a special master, who sells real property, on confirmation of the 650 sale, must (A) The attorney who files the writ of execution shall, 651 not later than seven days after the filing of the order of 652 confirmation of sale pursuant to section 2329.31 of the Revised 653 Code, make to the purchaser a deed, containing the names of the 654 parties to the judgment, the names of the owners of the property 655 sold, a reference to the volume and page of the recording of the 656 next preceding recorded instrument by or through which the owners 657 claim title, the date and amount of the judgment, the substance of 658 the execution or order on which the property was sold, the 659 substance of the officer's return thereon, and the order of 660 confirmation and deliver the deed to the officer who sold the real 661 property. The deed shall be executed, acknowledged, and recorded 662 as other deeds. The officer or the officer's legal representative 663 may review and approve or reject the deed for form and substance. 664

| (B) By placing a bid at a sale conducted pursuant to this | 665 |
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| chapter, the purchaser appoints the officer who makes the sale as | 666 |
| agent of the purchaser for the sole purpose of accepting delivery | 667 |
| of the deed described in division (A) of this section. | 668 |
| (C) The officer who sells the real property shall record the | 669 |
| deed, or for registered land file the documents required by | 670 |
| section 5309.64 of the Revised Code, with the county recorder | 671 |
| within fourteen business days of the date the purchaser pays the | 672 |
| balance due on the purchase price of the lands and tenements. The | 673 |
| officer shall charge the purchaser a fee to cover the actual costs | 674 |
| of recording the deed or filing the documents. | 675 |
| Sec. 2703.141. (A) If service by publication is necessary in | 676 |
| an action to foreclose a mortgage or to enforce a lien or other | 677 |
| encumbrance or charge on real property, the party seeking service | 678 |
| by publication shall cause the publication to be made once a week | 679 |
| for three consecutive weeks instead of as provided by Civil Rule | 680 |
| 4.4. | 681 |
| (B) In any county that has adopted a permanent parcel system, | 682 |
| the parcel may be described in the notice described in division | 683 |
| (A) of this section by listing the complete street address and the | 684 |
| parcel number, instead of also with a complete legal description, | 685 |
| or the parcel may be described in the notice by listing the | 686 |
| complete street address of the parcel and by indicating that the | 687 |
| complete legal description of the parcel may be obtained from the | 688 |
| county auditor. | 689 |
| Sec. 2703.26. When summons has been served or publication | 690 |
| made a complaint is filed, the action is pending so as to charge a | 691 |
| third person with notice of its pendency. While pending, no | 692 |
| interest can be acquired by third persons in the subject of the | 693 |
| action, as against the plaintiff's title. | 694 |

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| Sec. 5309.64. (A) Whenever registered land is sold to satisfy |
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| any judgment, decree, or order of a court, or the title is |
| transferred or affected by a decree or judgment of a court, the |
| purchaser, or the person in whose favor such decree was rendered, |
| on filing with the county recorder a certificate that the terms of |
| sale have been complied with and a certified copy of the order of |
| sale and return thereof and confirmation, or a certified copy of |
| the decree of the court transferring or affecting the title, as |
| the case may be, is entitled to have the property transferred to |
| him the purchaser or person in whose favor the decree was rendered |
| and his the title registered accordingly and a new certificate of |
| title issued therefor. |

Sec. 5721.18. The county prosecuting attorney, upon the 714 delivery to the prosecuting attorney by the county auditor of a 715 delinquent land or delinquent vacant land tax certificate, or of a 716 master list of delinquent or delinquent vacant tracts, shall 717 institute a foreclosure proceeding under this section in the name 718 of the county treasurer to foreclose the lien of the state, in any 719 court with jurisdiction or in the county board of revision with 720 jurisdiction pursuant to section 323.66 of the Revised Code, 721 unless the taxes, assessments, charges, penalties, and interest 722 are paid prior to the time a complaint is filed, or unless a 723 foreclosure or foreclosure and forfeiture action has been or will 724 be instituted under section 323.25 or 5721.14 of the Revised Code. 725

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If the delinquent land or delinquent vacant land tax certificate 726 or the master list of delinquent or delinquent vacant tracts lists 727 minerals or rights to minerals listed pursuant to sections 728 5713.04, 5713.05, and 5713.06 of the Revised Code, the county 729 prosecuting attorney may institute a foreclosure proceeding in the 730 name of the county treasurer, in any court with jurisdiction, to 731 foreclose the lien of the state against such minerals or rights to 732 minerals, unless the taxes, assessments, charges, penalties, and 733 interest are paid prior to the time the complaint is filed, or 734 unless a foreclosure or foreclosure and forfeiture action has been 735 or will be instituted under section 323.25 or 5721.14 of the 736 Revised Code. 737

The prosecuting attorney shall prosecute the proceeding to final judgment and satisfaction. Within ten days after obtaining a judgment, the prosecuting attorney shall notify the treasurer in writing that judgment has been rendered. If there is a copy of a written delinquent tax contract attached to the certificate or an asterisk next to an entry on the master list, or if a copy of a delinquent tax contract is received from the auditor prior to the commencement of the proceeding under this section, the prosecuting attorney shall not institute the proceeding under this section, unless the prosecuting attorney receives a certification of the treasurer that the delinquent tax contract has become void.

(A) This division applies to all foreclosure proceedings not 749 instituted and prosecuted under section 323.25 of the Revised Code 750 or division (B) or (C) of this section. The foreclosure 751 proceedings shall be instituted and prosecuted in the same manner 752 as is provided by law for the foreclosure of mortgages on land, 753 except that, if service by publication is necessary, such 754 publication shall be made once a week for three consecutive weeks 755 instead of as provided by the Rules of Civil Procedure, and the 756 service shall be complete at the expiration of three weeks after 757

| the date of the first publication. In any proceeding prosecuted | 758 |
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| under this section, if the prosecuting attorney determines that | 759 |
| service upon a defendant may be obtained ultimately only by | 760 |
| publication, the prosecuting attorney may cause service to be made | 761 |
| simultaneously by certified mail, return receipt requested, | 762 |
| ordinary mail, and publication. | 763 |

In any county that has adopted a permanent parcel number 764 system, the parcel may be described in the notice by parcel number 765 only, instead of also with a complete legal description, if the 766 prosecuting attorney determines that the publication of the 767 complete legal description is not necessary to provide reasonable 768 notice of the foreclosure proceeding to the interested parties. If 769 the complete legal description is not published, the notice shall 770 indicate where the complete legal description may be obtained. 771

It is sufficient, having been made a proper party to the 772 foreclosure proceeding, for the treasurer to allege in the 773 treasurer's complaint that the certificate or master list has been 774 duly filed by the auditor, that the amount of money appearing to 775 be due and unpaid is due and unpaid, and that there is a lien 776 against the property described in the certificate or master list, 777 without setting forth in the complaint any other or special matter 778 relating to the foreclosure proceeding. The prayer of the 779 complaint shall be that the court or the county board of revision 780 with jurisdiction pursuant to section 323.66 of the Revised Code 781 issue an order that the property be sold or conveyed by the 782 sheriff, or if the action is in the municipal court by the 783 bailiff, in the manner provided in section 5721.19 of the Revised 784 Code. 785

In the foreclosure proceeding, the treasurer may join in one 786 action any number of lots or lands, but the decree shall be 787 rendered separately, and any proceedings may be severed, in the 788 discretion of the court or board of revision, for the purpose of 789

| trial or appeal, and the court or board of revision shall make | 790 |
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| such order for the payment of costs as is considered proper. The | 791 |
| certificate or master list filed by the auditor with the | 792 |
| prosecuting attorney is prima-facie evidence at the trial of the | 793 |
| foreclosure action of the amount and validity of the taxes, | 794 |
| assessments, charges, penalties, and interest appearing due and | 795 |
| unpaid and of their nonpayment. | 796 |

(B) Foreclosure proceedings constituting an action in rem may 797 be commenced by the filing of a complaint after the end of the 798 second year from the date on which the delinquency was first 799 certified by the auditor. Prior to filing such an action in rem, 800 the prosecuting attorney shall cause a title search to be 801 conducted for the purpose of identifying any lienholders or other 802 persons with interests in the property subject to foreclosure. 803 Following the title search, the action in rem shall be instituted 804 by filing in the office of the clerk of a court with jurisdiction 805 a complaint bearing a caption substantially in the form set forth 806 in division (A) of section 5721.181 of the Revised Code. 807

Any number of parcels may be joined in one action. Each 808 separate parcel included in a complaint shall be given a serial 809 number and shall be separately indexed and docketed by the clerk 810 of the court in a book kept by the clerk for such purpose. A 811 complaint shall contain the permanent parcel number of each parcel 812 included in it, the full street address of the parcel when 813 available, a description of the parcel as set forth in the 814 certificate or master list, the name and address of the last known 815 owner of the parcel if they appear on the general tax list, the 816 name and address of each lienholder and other person with an 817 interest in the parcel identified in the title search relating to 818 the parcel that is required by this division, and the amount of 819 taxes, assessments, charges, penalties, and interest due and 820 unpaid with respect to the parcel. It is sufficient for the 821

treasurer to allege in the complaint that the certificate or 822 master list has been duly filed by the auditor with respect to 823 each parcel listed, that the amount of money with respect to each 824 parcel appearing to be due and unpaid is due and unpaid, and that 825 there is a lien against each parcel, without setting forth any 826 other or special matters. The prayer of the complaint shall be 827 that the court issue an order that the land described in the 828 complaint be sold in the manner provided in section 5721.19 of the 829 Revised Code. 830

(1) Within thirty days after the filing of a complaint, the 831 clerk of the court in which the complaint was filed shall cause a 832 notice of foreclosure substantially in the form of the notice set 833 forth in division (B) of section 5721.181 of the Revised Code to 834 be published once a week for three consecutive weeks in a 835 newspaper of general circulation in the county. In any county that 836 has adopted a permanent parcel number system, the parcel may be 837 described in the notice by parcel number only, instead of also 838 with a complete legal description, if the prosecuting attorney 839 determines that the publication of the complete legal description 840 is not necessary to provide reasonable notice of the foreclosure 841 proceeding to the interested parties. If the complete legal 842 description is not published, the notice shall indicate where the 843 complete legal description may be obtained. 844

After the third publication, the publisher shall file with 845 the clerk of the court an affidavit stating the fact of the 846 publication and including a copy of the notice of foreclosure as 847 published. Service of process for purposes of the action in rem 848 shall be considered as complete on the date of the last 849 publication.

Within thirty days after the filing of a complaint and before 851 the final date of publication of the notice of foreclosure, the 852 clerk of the court also shall cause a copy of a notice 853

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substantially in the form of the notice set forth in division (C) of section 5721.181 of the Revised Code to be mailed by certified mail, with postage prepaid, to each person named in the complaint as being the last known owner of a parcel included in it, or as being a lienholder or other person with an interest in a parcel included in it. The notice shall be sent to the address of each such person, as set forth in the complaint, and the clerk shall enter the fact of such mailing upon the appearance docket. If the name and address of the last known owner of a parcel included in a complaint is not set forth in it, the auditor shall file an affidavit with the clerk stating that the name and address of the last known owner does not appear on the general tax list.

(2)(a) An answer may be filed in an action in rem under this 866 division by any person owning or claiming any right, title, or 867 interest in, or lien upon, any parcel described in the complaint. 868 The answer shall contain the caption and number of the action and 869 the serial number of the parcel concerned. The answer shall set 870 forth the nature and amount of interest claimed in the parcel and 871 any defense or objection to the foreclosure of the lien of the 872 state for delinquent taxes, assessments, charges, penalties, and 873 interest as shown in the complaint. The answer shall be filed in 874 the office of the clerk of the court, and a copy of the answer 875 shall be served on the prosecuting attorney, not later than 876 twenty-eight days after the date of final publication of the 877 notice of foreclosure. If an answer is not filed within such time, 878 a default judgment may be taken as to any parcel included in a 879 complaint as to which no answer has been filed. A default judgment 880 is valid and effective with respect to all persons owning or 881 claiming any right, title, or interest in, or lien upon, any such 882 parcel, notwithstanding that one or more of such persons are 883 minors, incompetents, absentees or nonresidents of the state, or 884 convicts in confinement. 885

- (b)(i) A receiver appointed pursuant to divisions (C)(2) and 886 (3) of section 3767.41 of the Revised Code may file an answer 887 pursuant to division (B)(2)(a) of this section, but is not 888 required to do so as a condition of receiving proceeds in a 889 distribution under division (B)(1) of section 5721.17 of the 890 Revised Code.
- (ii) When a receivership under section 3767.41 of the Revised 892 Code is associated with a parcel, the notice of foreclosure set 893 forth in division (B) of section 5721.181 of the Revised Code and 894 the notice set forth in division (C) of that section shall be 895 modified to reflect the provisions of division (B)(2)(b)(i) of 896 this section.
- (3) At the trial of an action in rem under this division, the 898 certificate or master list filed by the auditor with the 899 prosecuting attorney shall be prima-facie evidence of the amount 900 and validity of the taxes, assessments, charges, penalties, and 901 interest appearing due and unpaid on the parcel to which the 902 certificate or master list relates and their nonpayment. If an 903 answer is properly filed, the court may, in its discretion, and 904 shall, at the request of the person filing the answer, grant a 905 severance of the proceedings as to any parcel described in such 906 answer for purposes of trial or appeal. 907
- (C) In addition to the actions in rem authorized under 908 division (B) of this section and section 5721.14 of the Revised 909 Code, an action in rem may be commenced under this division. An 910 action commenced under this division shall conform to all of the 911 requirements of division (B) of this section except as follows: 912
- (1) The prosecuting attorney shall not cause a title search 913 to be conducted for the purpose of identifying any lienholders or 914 other persons with interests in the property subject to 915 foreclosure, except that the prosecuting attorney shall cause a 916 title search to be conducted to identify any receiver's lien. 917

- (2) The names and addresses of lienholders and persons with 918 an interest in the parcel shall not be contained in the complaint, 919 and notice shall not be mailed to lienholders and persons with an 920 interest as provided in division (B)(1) of this section, except 921 that the name and address of a receiver under section 3767.41 of 922 the Revised Code shall be contained in the complaint and notice 923 shall be mailed to the receiver. 924
- (3) With respect to the forms applicable to actions commenced 925 under division (B) of this section and contained in section 926 5721.181 of the Revised Code: 927
- (a) The notice of foreclosure prescribed by division (B) of 928 section 5721.181 of the Revised Code shall be revised to exclude 929 any reference to the inclusion of the name and address of each 930 lienholder and other person with an interest in the parcel 931 identified in a statutorily required title search relating to the 932 parcel, and to exclude any such names and addresses from the 933 published notice, except that the revised notice shall refer to 934 the inclusion of the name and address of a receiver under section 935 3767.41 of the Revised Code and the published notice shall include 936 the receiver's name and address. The notice of foreclosure also 937 shall include the following in boldface type: 938

"If pursuant to the action the parcel is sold, the sale shall 939 not affect or extinguish any lien or encumbrance with respect to 940 the parcel other than a receiver's lien and other than the lien 941 for land taxes, assessments, charges, interest, and penalties for 942 which the lien is foreclosed and in satisfaction of which the 943 property is sold. All other liens and encumbrances with respect to 944 the parcel shall survive the sale."

(b) The notice to the owner, lienholders, and other persons 946 with an interest in a parcel shall be a notice only to the owner 947 and to any receiver under section 3767.41 of the Revised Code, and 948 the last two sentences of the notice shall be omitted. 949

- (4) As used in this division, a "receiver's lien" means the

 lien of a receiver appointed pursuant to divisions (C)(2) and (3)

 of section 3767.41 of the Revised Code that is acquired pursuant

 to division (H)(2)(b) of that section for any unreimbursed

 expenses and other amounts paid in accordance with division (F) of

 that section by the receiver and for the fees of the receiver

 approved pursuant to division (H)(1) of that section.
- (D) If the prosecuting attorney determines that an action in 957 rem under division (B) or (C) of this section is precluded by law, 958 then foreclosure proceedings shall be filed pursuant to division 959 (A) of this section, and the complaint in the action in personam 960 shall set forth the grounds upon which the action in rem is 961 precluded.
- (E) The conveyance by the owner of any parcel against which a 963 complaint has been filed pursuant to this section at any time 964 after the date of publication of the parcel on the delinquent tax 965 list but before the date of a judgment of foreclosure pursuant to 966 section 5721.19 of the Revised Code shall not nullify the right of 967 the county to proceed with the foreclosure. 968
- Sec. 5721.19. (A) In its judgment of foreclosure rendered 969 with respect to actions filed pursuant to section 5721.18 of the 970 Revised Code, the court or the county board of revision with 971 jurisdiction pursuant to section 323.66 of the Revised Code shall 972 973 enter a finding with respect to each parcel of the amount of the taxes, assessments, charges, penalties, and interest, and the 974 costs incurred in the foreclosure proceeding instituted against 975 it, which that are due and unpaid. The court or the county board 976 of revision shall order such premises to be transferred pursuant 977 to division (I) of this section or may order each parcel to be 978 sold, without appraisal, for not less than either of the 979 following: 980

(1) The fair market value of the parcel, as determined by the 981 county auditor, plus the costs incurred in the foreclosure 982 proceeding; 983

(2) The total amount of the finding entered by the court₇ or 984 the county board of revision, including all taxes, assessments, 985 charges, penalties, and interest payable subsequent to the 986 delivery to the county prosecuting attorney of the delinquent land 987 tax certificate or master list of delinquent tracts and prior to 988 the transfer of the deed of the parcel to the purchaser following 989 confirmation of sale, plus the costs incurred in the foreclosure 990 proceeding. For purposes of determining such amount, the county 991 treasurer may estimate the amount of taxes, assessments, interest, 992 penalties, and costs that will be payable at the time the deed of 993 the property is transferred to the purchaser. 994

995 Notwithstanding the minimum sales price provisions of divisions (A)(1) and (2) of this section to the contrary, a parcel 996 sold pursuant to this section shall not be sold for less than the 997 amount described in division (A)(2) of this section if the highest 998 bidder is the owner of record of the parcel immediately prior to 999 the judgment of foreclosure or a member of the following class of 1000 parties connected to that owner: a member of that owner's 1001 immediate family, a person with a power of attorney appointed by 1002 that owner who subsequently transfers the parcel to the owner, a 1003 sole proprietorship owned by that owner or a member of that 1004 owner's immediate family, or a partnership, trust, business trust, 1005 corporation, or association in which the owner or a member of the 1006 owner's immediate family owns or controls directly or indirectly 1007 more than fifty per cent. If a parcel sells for less than the 1008 amount described in division (A)(2) of this section, the officer 1009 conducting the sale shall require the buyer to complete an 1010 affidavit stating that the buyer is not the owner of record 1011 immediately prior to the judgment of foreclosure or a member of 1012

the specified class of parties connected to that owner, and the 1013 affidavit shall become part of the court records of the 1014 proceeding. If the county auditor discovers within three years 1015 after the date of the sale that a parcel was sold to that owner or 1016 a member of the specified class of parties connected to that owner 1017 for a price less than the amount so described, and if the parcel 1018 is still owned by that owner or a member of the specified class of 1019 parties connected to that owner, the auditor within thirty days 1020 after such discovery shall add the difference between that amount 1021 and the sale price to the amount of taxes that then stand charged 1022 against the parcel and is payable at the next succeeding date for 1023 payment of real property taxes. As used in this paragraph, 1024 "immediate family" means a spouse who resides in the same 1025 household and children. 1026

(B) Each parcel affected by the court's finding <u>and order of</u> 1027 <u>sale</u> shall be separately sold, unless the court orders any of such parcels to be sold together. 1029

Each parcel shall be advertised and sold by the officer to 1030 whom the order of sale is directed in the manner provided by law 1031 for the sale of real property on execution. The advertisement for 1032 sale of each parcel shall be published once a week for three 1033 consecutive weeks and shall include the date on which a second 1034 sale will be conducted if no bid is accepted at the first sale. 1035 Any number of parcels may be included in one advertisement. 1036

The notice of the advertisement shall be substantially in the 1037 form of the notice set forth in section 5721.191 of the Revised 1038 Code. In any county that has adopted a permanent parcel number 1039 system, the parcel may be described in the notice by parcel number 1040 only, instead of also with a complete legal description, if the 1041 prosecuting attorney determines that the publication of the 1042 complete legal description is not necessary to provide reasonable 1043 notice of the foreclosure sale to potential bidders. If the 1044

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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

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offers any parcel for sale the officer first shall read aloud a complete legal description of the parcel, or in the alternative, may read aloud only a summary description, including the complete street address of the parcel, if any, and a parcel number if the county has adopted a permanent parcel number system and if the advertising notice prepared pursuant to this section includes a complete legal description or indicates where the complete legal description may be obtained. 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.

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(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 | 1077 |
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| from the otherwise distributable real property taxes to a taxing | 1078 |
| district an amount that shall be determined by multiplying the | 1079 |
| certified costs by a fraction the numerator of which shall be the | 1080 |
| amount of the taxes, assessments, charges, penalties, and interest | 1081 |
| on the parcel owed to that taxing district at the time the parcel | 1082 |
| first was offered for sale pursuant to this section, and the | 1083 |
| denominator of which shall be the total of the taxes, assessments, | 1084 |
| charges, penalties, and interest on the parcel owed to all the | 1085 |
| taxing districts at that time. The auditor promptly shall pay to | 1086 |
| the clerk of the court the amounts of the reductions. | 1087 |

- (b) If reductions occur pursuant to division (C)(2)(a) of 1088 this section, and if at a subsequent time a parcel is sold at a 1089 foreclosure sale or a forfeiture sale pursuant to Chapter 5723. of 1090 the Revised Code, then, notwithstanding other provisions of the 1091 Revised Code, except section 5721.17 of the Revised Code, 1092 governing the distribution of the proceeds of a foreclosure or 1093 forfeiture sale, the proceeds first shall be distributed to 1094 reimburse the taxing districts subjected to reductions in their 1095 otherwise distributable real property taxes. The distributions 1096 shall be based on the same proportions used for purposes of 1097 division (C)(2)(a) of this section. 1098
- (3) The court, in its discretion, may order any parcel not
 sold pursuant to the original order of sale to be advertised and
 1100
 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.
 1103
- (D) Except as otherwise provided in division (B)(1) of 1104 section 5721.17 of the Revised Code, upon the confirmation of a 1105 sale, the proceeds of the sale shall be applied as follows: 1106
- (1) The costs incurred in any proceeding filed against the 1107 parcel pursuant to section 5721.18 of the Revised Code shall be 1108

paid first.

- (2) Following the payment required by division (D)(1) of this 1110 section, the part of the proceeds that is equal to five per cent 1111 of the taxes and assessments due shall be deposited in the 1112 delinquent tax and assessment collection fund created pursuant to 1113 section 321.261 of the Revised Code.
- (3) Following the payment required by division (D)(2) of this 1115 section, the amount found due for taxes, assessments, charges, 1116 penalties, and interest shall be paid, including all taxes, 1117 assessments, charges, penalties, and interest payable subsequent 1118 to the delivery to the county prosecuting attorney of the 1119 delinquent land tax certificate or master list of delinquent 1120 tracts and prior to the transfer of the deed of the parcel to the 1121 purchaser following confirmation of sale. If the proceeds 1122 available for distribution pursuant to division (D)(3) of this 1123 section are sufficient to pay the entire amount of those taxes, 1124 assessments, charges, penalties, and interest, the portion of the 1125 proceeds representing taxes, interest, and penalties shall be paid 1126 to each claimant in proportion to the amount of taxes levied by 1127 the claimant in the preceding tax year, and the amount 1128 representing assessments and other charges shall be paid to each 1129 claimant in the order in which they became due. If the proceeds 1130 are not sufficient to pay that entire amount, the proportion of 1131 the proceeds representing taxes, penalties, and interest shall be 1132 paid to each claimant in the same proportion that the amount of 1133 taxes levied by the claimant against the parcel in the preceding 1134 tax year bears to the taxes levied by all such claimants against 1135 the parcel in the preceding tax year, and the proportion of the 1136 proceeds representing items of assessments and other charges shall 1137 be credited to those items in the order in which they became due. 1138
- (E) If the proceeds from the sale of a parcel are 1139 insufficient to pay in full the amount of the taxes, assessments, 1140

| charges, penalties, and interest which are due and unpaid; the | 1141 |
|--|------|
| costs incurred in the foreclosure proceeding instituted against it | 1142 |
| which are due and unpaid; and, if division (B)(1) of section | 1143 |
| 5721.17 of the Revised Code is applicable, any notes issued by a | 1144 |
| receiver pursuant to division (F) of section 3767.41 of the | 1145 |
| Revised Code and any receiver's lien as defined in division (C)(4) | 1146 |
| of section 5721.18 of the Revised Code, the court, pursuant to | 1147 |
| section 5721.192 of the Revised Code, may enter a deficiency | 1148 |
| judgment against the owner of record of the parcel for the unpaid | 1149 |
| amount. If that owner of record is a corporation, the court may | 1150 |
| enter the deficiency judgment against the stockholder holding a | 1151 |
| majority of that corporation's stock. | 1152 |

If after distribution of proceeds from the sale of the parcel 1153 under division (D) of this section the amount of proceeds to be 1154 applied to pay the taxes, assessments, charges, penalties, 1155 interest, and costs is insufficient to pay them in full, and the 1156 court does not enter a deficiency judgment against the owner of 1157 record pursuant to this division, the taxes, assessments, charges, 1158 penalties, interest, and costs shall be deemed satisfied. 1159

- (F)(1) Upon confirmation of a sale, a spouse of the party 1160 charged with the delinquent taxes or assessments shall thereby be 1161 barred of the right of dower in the property sold, though such 1162 spouse was not a party to the action. No statute of limitations 1163 shall apply to such action. When the land or lots stand charged on 1164 the tax duplicate as certified delinquent, it is not necessary to 1165 make the state a party to the foreclosure proceeding, but the 1166 state shall be deemed a party to such action through and be 1167 represented by the county treasurer. 1168
- (2) Except as otherwise provided in divisions (F)(3) and (G) 1169 of this section, unless such land or lots were previously redeemed 1170 pursuant to section 5721.25 of the Revised Code, upon the filing 1171 of the entry of confirmation of sale, the title to such land or 1172

lots shall be incontestable in the purchaser and shall be free and 1173 clear of all liens and encumbrances, except a federal tax lien 1174 notice of which is properly filed in accordance with section 1175 317.09 of the Revised Code prior to the date that a foreclosure 1176 proceeding is instituted pursuant to division (B) of section 1177 5721.18 of the Revised Code and the easements and covenants of 1178 record running with the land or lots that were created prior to 1179 the time the taxes or assessments, for the nonpayment of which the 1180 land or lots are sold at foreclosure, became due and payable. 1181

- (3) When proceedings for foreclosure are instituted under 1182 division (C) of section 5721.18 of the Revised Code, unless the 1183 land or lots were previously redeemed pursuant to section 5721.25 1184 of the Revised Code, upon the filing of the entry of confirmation 1185 of sale, the title to such land or lots shall be incontestable in 1186 the purchaser and shall be free of any receiver's lien as defined 1187 in division (C)(4) of section 5721.18 of the Revised Code and, 1188 except as otherwise provided in division (G) of this section, the 1189 liens for land taxes, assessments, charges, interest, and 1190 penalties for which the lien was foreclosed and in satisfaction of 1191 which the property was sold. All other liens and encumbrances with 1192 respect to the land or lots shall survive the sale. 1193
- (4) The title shall not be invalid because of any 1194 irregularity, informality, or omission of any proceedings under 1195 this chapter, or in any processes of taxation, if such 1196 irregularity, informality, or omission does not abrogate the 1197 provision for notice to holders of title, lien, or mortgage to, or 1198 other interests in, such foreclosed lands or lots, as prescribed 1199 in this chapter.
- (G) If a parcel is sold under this section for the amount 1201 described in division (A)(2) of this section, and the county 1202 treasurer's estimate exceeds the amount of taxes, assessments, 1203 interest, penalties, and costs actually payable when the deed is 1204

1236

| transferred to the purchaser, the officer who conducted the sale | 1205 |
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| shall refund to the purchaser the difference between the estimate | 1206 |
| and the amount actually payable. If the amount of taxes, | 1207 |
| assessments, interest, penalties, and costs actually payable when | 1208 |
| the deed is transferred to the purchaser exceeds the county | 1209 |
| treasurer's estimate, the officer shall certify the amount of the | 1210 |
| excess to the treasurer, who shall enter that amount on the real | 1211 |
| and public utility property tax duplicate opposite the property; | 1212 |
| the amount of the excess shall be payable at the next succeeding | 1213 |
| date prescribed for payment of taxes in section 323.12 of the | 1214 |
| Revised Code. | 1215 |
| (H) If a parcel is sold <u>or transferred</u> under this section <u>or</u> | 1216 |
| sections 323.28 and 323.65 to 323.78 of the Revised Code, the | 1217 |
| officer who conducted the sale or made the transfer of the | 1218 |
| property shall collect the recording fee and any associated costs | 1219 |
| to cover the recording from the purchaser or transferee at the | 1220 |
| time of the sale or transfer and, following confirmation of the | 1221 |
| sale <u>or transfer</u> , shall prepare <u>execute</u> and record the deed | 1222 |
| conveying title to the parcel to the purchaser or transferee. For | 1223 |
| purposes of recording such deed, by placement of a bid or making a | 1224 |
| statement of interest by any party ultimately awarded the parcel, | 1225 |
| that purchaser or transferee thereby appoints the officer who | 1226 |
| makes the sale or is charged with executing and delivering the | 1227 |
| deed as agent for the purchaser or transferee for the sole purpose | 1228 |
| of accepting delivery of the deed. For such purposes, the | 1229 |
| confirmation of any such sale or order to transfer the parcel | 1230 |
| without appraisal or sale shall be deemed delivered upon the | 1231 |
| confirmation of such sale or transfer. | 1232 |
| (I) Notwithstanding section 5722.03 of the Revised Code, if | 1233 |
| the complaint alleges that the property is delinquent vacant land | 1234 |
| as defined in section 5721.01 of the Revised Code, abandoned lands | 1235 |

as defined in section 323.65 of the Revised Code, or lands

| described in division (E) of section 5722.01 of the Revised Code, | 1237 |
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| and the value of the taxes, assessments, penalties, interest, and | 1238 |
| all other charges and costs of the action exceed the auditor's | 1239 |
| fair market value of the parcel, then the court or board of | 1240 |
| revision having jurisdiction over the matter on motion of the | 1241 |
| plaintiff, or on the court's or board's own motion, shall, upon | 1242 |
| any adjudication of foreclosure, order, without appraisal and | 1243 |
| without sale, the fee simple title of the property to be | 1244 |
| transferred to and vested in an electing subdivision as defined in | 1245 |
| division (A) of section 5722.01 of the Revised Code. For purposes | 1246 |
| of determining whether the taxes, assessments, penalties, | 1247 |
| interest, and all other charges and costs of the action exceed the | 1248 |
| actual fair market value of the parcel, the auditor's most current | 1249 |
| valuation shall be rebuttably presumed to be, and constitute | 1250 |
| prima-facie evidence of, the fair market value of the parcel. In | 1251 |
| such case, the filing for journalization of a decree of | 1252 |
| foreclosure ordering that direct transfer without appraisal or | 1253 |
| sale shall constitute confirmation of the transfer and thereby | 1254 |
| terminate any further statutory or common law right of redemption. | 1255 |

Sec. 5723.01. (A)(1) Every tract of land and town lot, which,

pursuant to foreclosure proceedings under section 323.25 or

5721.18 of the Revised Code, has been advertised and offered for

sale on two separate occasions, not less than two weeks apart, and

not sold for want of bidders, shall be forfeited to the state or

to a political subdivision pursuant to division (A)(3) of this

section.

(2) The county prosecuting attorney shall certify to the 1264 court that such tract of land or town lot has been twice offered 1265 for sale and not sold for want of a bidder. Such forfeiture of 1266 lands and town lots shall be effective when the court by entry 1267 orders such lands and town lots forfeited to the state or to a 1268

| political subdivision pursuant to division (A)(3) of this section. | 1269 |
|--|------|
| A copy of such entry shall be certified to the county auditor and, | 1270 |
| after the date of the certification, all the right, title, claim, | 1271 |
| and interest of the former owner is transferred to and vested in | 1272 |
| the state to be disposed of in compliance with this chapter. | 1273 |
| (3) After having been notified pursuant to division (A)(2) of | 1274 |
| this section that the tract of land or town lot has been twice | 1275 |
| offered for sale and not sold for want of bidders, the court shall | 1276 |
| notify the political subdivision in which the property is located | 1277 |
| and offer to forfeit the property to the political subdivision, or | 1278 |
| to an electing subdivision as defined in section 5722.01 of the | 1279 |
| Revised Code, upon a petition from the political subdivision. If | 1280 |
| the political subdivision does not petition the court within ten | 1281 |
| days of the notification by the court, the court shall forfeit the | 1282 |
| property to the state. If the political subdivision requests | 1283 |
| through a petition to receive the property through forfeiture, the | 1284 |
| forfeiture of land and town lots is effective when, by entry, the | 1285 |
| court orders such lands and town lots forfeited to the political | 1286 |
| subdivision. The court shall certify a copy of the entry to the | 1287 |
| county auditor and, after the date of certification, all the | 1288 |
| right, title, claim, and interest of the former owner is | 1289 |
| transferred to and vested in the political subdivision. | 1290 |
| (B) Every parcel against which a judgment of foreclosure and | 1291 |
| forfeiture is made in accordance with section 5721.16 of the | 1292 |
| Revised Code is forfeited to the state on the date the court | 1293 |
| enters a finding under that section. After that date, all the | 1294 |
| right, title, claim, and interest of the former owner is | 1295 |
| transferred to the state to be disposed of in compliance with the | 1296 |
| relevant provisions of this chapter. | 1297 |
| Section 2. That existing sections 323.25, 323.28, 323.47, | 1298 |
| 2303.11, 2323.07, 2327.01, 2327.02, 2329.17, 2329.18, 2329.19, | 1299 |

2329.23, 2329.26, 2329.27, 2329.30, 2329.31, 2329.36, 2703.26,

| Sub. H. B. No. 138 As Reported by the Senate JudiciaryCivil Justice Committee | Page 43 |
|---|---------|
| 5309.64, 5721.18, 5721.19, and 5723.01 of the Revised Code are | 1301 |
| hereby repealed. | 1302 |