

**As Reported by the Senate Judiciary--Civil Justice Committee**

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**Sub. S. B. No. 277**

**Senator Stivers**

**Cosponsors: Senators Seitz, Miller, D., Kearney, Goodman, Schuring, Fedor**

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**A B I L L**

To enact sections 1901.185 and 3767.50 of the Revised 1  
Code to create a new cause of action in 2  
foreclosure in the environmental division of a 3  
municipal court to abate blighted parcels. 4

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

**Section 1.** That sections 1901.185 and 3767.50 of the Revised 5  
Code be enacted to read as follows: 6

Sec. 1901.185. In addition to jurisdiction otherwise granted 7  
in this chapter, the environmental division, where established, of 8  
the municipal court shall have jurisdiction within its territory 9  
in all of the following actions or proceedings and to perform all 10  
of the following functions: 11

(A) To hear actions arising under section 3767.50 of the 12  
Revised Code; 13

(B) In any action authorized by section 3767.50 of the 14  
Revised Code, the environmental division of the municipal court, 15  
where established, shall exercise exclusive original jurisdiction 16  
to make findings and orders pertaining to blighted parcels. 17

(C) When in aid of execution of a judgment of the 18  
environmental division of the municipal court rendered pursuant to 19

section 3767.50 of the Revised Code, in actions for the 20  
foreclosure of a mortgage on real property given to secure the 21  
payment of money, or the enforcement of a specific lien for money 22  
or other encumbrance or charge on real property, when the real 23  
property is situated within the territory, and, in those cases, 24  
the environmental division may proceed to foreclose all liens and 25  
all vested and contingent rights and proceed to render judgments, 26  
and make findings and orders, between the parties, in the same 27  
manner and to the same extent as in similar cases in the court of 28  
common pleas. 29

Sec. 3767.50. (A) For purposes of this section: 30

(1) "Blighted parcel" has the same meaning as in section 1.08 31  
of the Revised Code. 32

(2) "Owner" means any of the following: 33

(a) The owner of record as shown on the current tax list of 34  
the county auditor. 35

(b) A person who has a freehold or lesser estate in the 36  
premises. 37

(c) A mortgagee in possession or vendee in possession who 38  
evidences charge, care, or control of the premises, including, but 39  
not limited to, a person to whom the sheriff has issued a deed for 40  
the premises after a judicial sale regardless of whether the deed 41  
has been recorded. 42

(d) A person who has charge, care, or control of the premises 43  
as executor, administrator, assignee, receiver, trustee, or legal 44  
guardian. 45

(e) A person who holds the person's self out to be in charge, 46  
care, or control of the premises as evidenced by the negotiation 47  
of written or oral lease agreements for the premises, the 48  
collection of rents for the premises, the performance of 49

maintenance or repairs on the premises, or the authorization of 50  
others to perform maintenance or repairs on the premises. 51

(B) A municipal corporation, in addition to any other remedy 52  
authorized by law, has a cause of action to foreclose any existing 53  
liens upon a blighted parcel located in the municipal corporation 54  
provided that no other foreclosure action affecting the blighted 55  
parcel is being actively prosecuted in any court of record. It is 56  
an affirmative defense to an action under this division that the 57  
owner of the blighted parcel has not been in default on any 58  
mortgage on the property for twelve months or more or that there 59  
is a bankruptcy proceeding pending in which the blighted parcel 60  
has been listed as an asset. The environmental division of the 61  
municipal court has exclusive original jurisdiction of the action. 62  
To maintain the action, it is not necessary for the municipal 63  
corporation to have a lien of its own upon the property. Rather, 64  
it is sufficient for the municipal corporation to allege that, 65  
because of the continuing existence of conditions causing the 66  
property to be a blighted parcel, the owner has defaulted on the 67  
terms of any agreement giving rise to a lien for failure to 68  
maintain the property, and then to marshal and plead for 69  
foreclosure of any or all outstanding liens upon the blighted 70  
parcel. Section 3767.50 of the Revised Code does not create a 71  
cause of action regarding any property not subject to a lien. The 72  
municipal corporation shall not marshal a lien held by the United 73  
States, by this state, or by a political subdivision other than 74  
itself, or a lien vested by a tax certificate held under sections 75  
5721.30 to 5721.43 of the Revised Code. The municipal corporation 76  
shall join as a party to the action a lienholder whose lien is 77  
being marshaled and shall notify the lienholder party that the 78  
municipal corporation is proceeding to foreclose the lien under 79  
this section and that the lienholder party may remediate the 80  
conditions of the parcel constituting blight. If a lienholder 81  
party certifies to the court that the party will remediate the 82

conditions of the parcel constituting blight within sixty days 83  
after the party is served with a copy of the complaint of the 84  
foreclosure action, the municipal corporation shall move to 85  
dismiss the action. 86

In a judicial sale of a blighted parcel that is ordered as a 87  
result of the foreclosure action, the priority of distribution of 88  
the proceeds from the sale shall not be altered because the 89  
municipal corporation marshaled and foreclosed on one or more 90  
liens. Rather, proceeds from the sale shall be distributed 91  
according to the priorities otherwise established by law. 92

(C)(1) With respect to any blighted parcel that is or may be 93  
subject to an action under this section, the municipal corporation 94  
may notify the taxing authority of each taxing unit in which the 95  
blighted parcel is located that the municipal corporation is 96  
proceeding to foreclose the lien under this section. The notice 97  
shall state that the taxing authority may preserve its claim on 98  
any distributions of delinquent or unpaid taxes and assessments 99  
charged against the blighted parcel and arising from the judicial 100  
sale proceeds by responding in writing to the municipal 101  
corporation within a period of time to be specified in the notice. 102  
The written response shall be certified by the taxing authority or 103  
by the fiscal officer or other person authorized by the taxing 104  
authority to respond. If such a response is received by the 105  
municipal corporation within the specified time, or if such a 106  
notice is not provided, the taxing authority's claim on 107  
distributions of delinquent or unpaid taxes and assessments 108  
charged against the blighted parcel and payable from proceeds of 109  
the judicial sale shall be preserved and shall be disposed of in 110  
the priority and manner otherwise prescribed by law. If such a 111  
notice is provided and the response is not received within the 112  
specified time, the taxing authority's claim on the delinquent or 113  
unpaid taxes and assessments is extinguished, the lien for such 114

taxes is satisfied and discharged to the extent of that claim, and 115  
the blighted parcel may be sold at judicial sale free and clear of 116  
such lien to that extent, unless the successful bidder at the 117  
judicial sale is a lienholder of the blighted parcel. If the 118  
successful bidder is a lienholder of the blighted parcel, the lien 119  
for all delinquent or unpaid taxes and assessments charged against 120  
the blighted parcel shall continue until discharged as otherwise 121  
provided by law. 122

(2) The taxing authority of a taxing unit and a municipal 123  
corporation may enter into an agreement whereby the taxing 124  
authority consents in advance to release the taxing authority's 125  
claim on distributions of delinquent or unpaid taxes and 126  
assessments charged against blighted parcels in the taxing unit's 127  
territory and waives its right to prior notice and response under 128  
division (C)(1) of this section. The agreement shall provide for 129  
any terms and conditions on the release of such claim as are 130  
mutually agreeable to the taxing authority and municipal 131  
corporation, including any option vesting in the taxing authority 132  
the right to revoke its release with respect to any blighted 133  
parcel before the release becomes effective, and the manner in 134  
which notice of such revocation shall be effected. 135