

Ohio Legislative Service Commission

Office of Research and Drafting Legislative Budget Office

S.B. 83 136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Sens. Reynolds and Craig

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SUMMARY

Evictions

- Provides legal counsel in eviction proceedings for certain low-income tenants.
- Requires the Ohio Access to Justice Foundation to provide financial assistance to legal aid societies or similar nonprofit organizations to provide that counsel, if appropriated funds are available.
- Requires notice to be provided to tenants facing eviction informing them that they may qualify for free legal representation of the suppression of the proceeding's court records.
- Expands an existing report submitted by the Foundation to the General Assembly and other state officials to include information about eviction defense.
- Requires eviction actions to be submitted to nonbinding mediation upon the request of either party.
- Establishes a procedure to suppress eviction records.

Building inspections

- Requires rules adopted by the Board of Building Standards related to certifying persons to enforce the residential building code to make the certification process as accessible as possible, while still ensuring that certificate holders are adequately qualified.
- Requires the Board, within 180 days after the bill's effective date, to conduct a review of its current certification rules to achieve certain specified objectives.
- Requires plan review and inspections of residential and nonresidential building construction projects to be conducted within 30 days of the request.

- Permits a general contractor, the owner, or a building department with jurisdiction, to contract with a third-party private inspector or an out-of-jurisdiction certified building department to conduct inspections.
- Requires the Board of Building Standards to maintain and publish a list of third-party private inspectors and certified building departments that it authorizes to conduct inspections under the bill's provisions.

Property conveyance transparency

 Requires grantees, other than natural persons, that acquire real property or mobile or manufactured homes to designate a natural person as an owner or agent respecting matters related to the conveyance.

DETAILED ANALYSIS

General overview

The bill makes several changes related to real property law. It requires that low-income defendants in eviction proceedings have access to legal counsel and requires courts to suppress records for ongoing eviction proceedings. The bill also makes changes to building inspections by authorizing a general contractor or owner of a building to contract with an independent inspector if the building department with jurisdiction does not complete the inspection within 30 days after a request. Lastly, the bill requires an entity that acquires real property or a mobile or manufactured home to designate a natural person as an owner or agent respecting matters related to the conveyance.

Evictions

Eviction defense for low-income tenants

The bill provides a mechanism by which certain low-income tenants may obtain free legal counsel when facing eviction. To accomplish this, the bill generally requires the Ohio Access to Justice Foundation to provide funding to legal aid societies or similar nonprofit organizations for the provision of eviction defense. The Foundation is an existing, statutorily created nonprofit organization that supports the delivery of civil legal services to indigent clients, primarily through providing financial assistance to legal aid societies that apply to the Foundation for funding. The bill does not appropriate funds for the purpose of achieving these objectives.

Eligibility

To qualify, the low-income tenant must be a household with an annual gross income of not more than 300% of the federal poverty line, adjusted for the size of the family. The bill refers to such a qualifying low-income tenant as an "eligible household." The income threshold to qualify as an eligible household is 2.4 times that required to qualify as an indigent person for

civil legal services from a legal aid society under continuing law (i.e., income not exceeding 125% of the federal poverty line).¹ The Department of Health and Human Services Poverty Guidelines for 2025 set the poverty guideline at \$21,150 for a household of two, increasing \$5,500 for each additional person in the household.² For a household of two, 300% of the federal poverty guidelines would be \$63,450 in 2025.

Notice to eligible households

The bill requires the landlord or other plaintiff in an eviction proceeding to provide notice to individuals subject to eviction informing them that they may qualify for free legal representation and that any court records of the proceeding are sealed and not available to the public unless the proceeding concludes in favor of the plaintiff.

Under current law, similar notice is required in the summons in residential evictions. Such notice simply recommends that the tenant reach out to a local legal aid society or bar association if the tenant cannot afford a lawyer. Instead, the bill requires that the notice state that the tenant may qualify for free legal representation based on income and to recommend the tenant to contact Ohio Legal Help – a nonprofit organization that connects persons to government programs, legal aid societies, and other providers of legal services based on the person's legal issue. In addition, the bill requires the notice to state that records associated with the action are suppressed and not accessible to the public until an order is entered granting the plaintiff possession of the premises. If the plaintiff is granted possession, the court records may remain private if both parties agree to suppress the records. The bill also requires the same notice to be provided by landlords upon the termination of the lease in certain circumstances.³

Legal Services Housing Defense Fund

The bill creates the Legal Services Housing Defense Fund (LSHDF), to consist of money appropriated by the General Assembly. The bill does not include an appropriation to the LSHDF. Unlike current legal aid funding, which may be used for any civil legal service for indigent persons, funds in the LSHDF must be used only for eviction defense for covered individuals. Such funds must be distributed to eligible organizations by the State Public Defender through the Foundation in the manner described below. The Treasurer of State is authorized to invest the LSHDF, as long as it does not interfere with the work of the Foundation. The bill reserves 4.5% of the money in the LSHDF for the costs of administering the eviction defense services required by the bill.⁴

¹ R.C. 120.531(A)(1) and (2) and (B); R.C. 120.51(B), not in the bill.

² <u>HHS Poverty Guidelines for 2025</u>, which is available at the Office of the Assistance Secretary for Planning and Evaluation's website: <u>aspe.hhs.gov.</u>

³ R.C. 1923.06(B) and 5321.17(C).

⁴ R.C. 120.522.

Applications for assistance

Under the bill, legal aid societies or other eligible organizations may apply to the Foundation for financial assistance from the LSHDF. The Foundation is required to accept applications on an annual basis. Any awarded funds must be used to provide housing defense legal service or returned to the LSHDF before the end of the following year. For a legal aid society, the amount of financial assistance awarded cannot be more than the available balance of the LSHDF multiplied by the ratio of the number of eligible households in the legal aid society's service area to the number of eligible households in the state. For other eligible organizations, the amount of assistance cannot exceed 1.75% of the available balance of the LSHDF.

If, after awarding financial assistance to legal aid societies and eligible organizations, the total amount of financial assistance awarded is less than the available balance of the LSHDF, the Foundation may award financial assistance to other nonprofit organizations to be used to provide housing defense legal services to eligible households.

If, after awarding financial assistance to legal aid societies, eligible organizations, and other nonprofit organizations, the total amount of financial assistance awarded is less than the available balance of the LSHDF, the Foundation may award financial assistance to private counsel to be used to provide housing defense legal services to eligible households.⁵

Required reporting

Under continuing law, the Foundation is required to submit an annual report to the Governor, the General Assembly, and the Ohio Supreme Court detailing information about distribution of funds to, and use by, legal aid societies for civil legal services, as well as audited financial statements detailing all gifts, donations, and other funds received by the Foundation. The report is based, in part, on information legal aid societies receiving funding are required to report to the Foundation, including the number and types of cases handled and the amount and types of legal training, legal technical assistance, and other services provided.

The bill expands that report to also include information regarding the distribution and use of the LSHDF. The bill also requires any entity that receives financial assistance from the LSHDF to file an annual report to the Foundation detailing the number and types of cases handled and other services provided. The information contained in these reports must not identify any eligible household or breach confidentiality.⁶

Stay of eviction proceedings

Under current law, a court is prohibited from granting a continuance in an eviction action for longer than eight days, unless either (1) the plaintiff applies for a continuance and

⁵ R.C. 120.531.

⁶ R.C. 120.531(G) and (H); R.C. 120.53, not in the bill.

the defendant consents to it, or (2) the defendant applies and gives a court-approved bond to the plaintiff.

The bill allows a continuance of 50 days if either the plaintiff or the defendant demand nonbinding mediation of the dispute (see "**Mediation**," below). A continuance for mediation purposes may be extended by the judge, as necessary.⁷

Suppression of court records

When an eviction proceeding is commenced, the bill requires the court to suppress any court record related to the action. If the plaintiff prevails on the merits and the tenant is evicted, the court records are no longer considered suppressed unless the parties to the action agree otherwise. If the defendant prevails in the action or the action is otherwise dismissed, the court records remain sealed. The bill clarifies that, while nothing prohibits the names of the parties in a suppressed court record from being used by the court for administrative purposes, the court must not publish the names online.⁸

Mediation

The bill also specifies that any time after an eviction complaint is filed, and before trial proceedings are commenced, either the plaintiff or defendant may demand nonbinding mediation. If mediation is requested, the judge is required to determine which party or parties will pay the cost of the mediation and the court will appoint a mediator. The mediation must be conducted and concluded within 50 days after the complaint was filed, unless extended by the judge. The bill specifies that if the mediation is not timely concluded, or does not resolve the dispute, the eviction action will proceed by trial.⁹

Building inspections

Certification of code enforcement officials

The bill makes several changes aimed at speeding the building inspection process. Continuing law requires the Board of Building Standards to certify local building departments, building department personnel, and certain other persons to enforce the residential and nonresidential building codes. Such a building department, personnel, or person may enforce only the type of building code for which it is certified.¹⁰ The bill requires that the rules adopted by the Board related to certifying persons to enforce the residential building code make the certification process as accessible as possible, while still ensuring that certificate holders are adequately qualified to enforce compliance with the state's residential building standards.¹¹

⁷ R.C. 1923.08.

⁸ R.C. 1923.111.

⁹ R.C. 1923.09 and 1923.16.

¹⁰ R.C. 3781.10(E); R.C. 3781.03, not in the bill.

¹¹ R.C. 3781.10(E)(3)(c).

In addition, the bill requires the Board to complete a review of rules pertaining to the certification of persons to enforce the residential building code within 180 days after the effective date of the bill. The Board's goals for the review must include all of the following:

- Making the certification process more accessible and appealing without compromising the integrity and quality of enforcement of the residential building code;
- Simplifying the certification process, reducing bureaucratic hurdles, and increasing transparency to make the process less daunting and more appealing to potential candidates;
- Modifying the trainee program to allow for a broader range of supervisory relationships and experiences to provide more pathways for individuals to gain access to the necessary qualifications;
- Revising supervisory ratios to allow supervisors to oversee more trainees to increase the efficiency of the training process and the number of candidates moving through it.¹²

Plan review and inspections

The bill requires a building department having jurisdiction over a residential or nonresidential building construction project to review plans and conduct the inspection of the building within 30 days after being requested to do so.¹³ The Revised Code does not currently specify the timeframe inspections must be conducted. In addition, the bill permits a general contractor or owner of the building construction project, or the building department with jurisdiction over the building, to contract with a third-party private inspector or a certified building department of another jurisdiction to approve plans and conduct the building inspection if the inspection is not completed within 30 days after the request. A "third-party private inspector" is an inspector that is certified by the Board to accept and approve plans and to conduct inspections of residential or nonresidential building construction projects but who is not directly employed by a governmental entity.¹⁴

Under the bill, the Board is required to maintain a list of third-party private inspectors and certified building departments it authorizes to conduct plan review and inspections for residential and nonresidential buildings construction projects. The Board must include on this list for each third-party inspector what certification the inspector holds. The Board is then required to publish the list on a publicly accessible website maintained by the Board.¹⁵ If the building department with jurisdiction does not timely conduct the plan review or inspection,

¹² Section 3.

¹³ R.C. 3781.181(B).

¹⁴ R.C. 3781.10(E)(7)(e) and 3781.181(A)(3) and (D).

¹⁵ R.C. 3781.181(C).

the general contractor or owner may notify the Board and the building department of the intention to contract for an independent plan review or inspection.¹⁶

General contractor and owner – inspection contract

If a general contractor or owner contracts with a third-party private inspector from the list, then the contractor or owner is responsible for the payment of any fee pursuant to the contract. The building department having jurisdiction (which is not conducting the inspection) may still charge any standard fee that is customary for the approval, including an administrative or filing fee, but it cannot charge any fee related to the inspection. If the general contractor or owner chooses a certified building department from the list to conduct the inspection, then the general contractor or owner must pay any fee established by the certified building department fee schedule for inspection.¹⁷

Within 24 hours after the plan review or inspection is completed, the third-party private inspector or the inspector employed by the certified building department must send a copy of the results to the building department having jurisdiction.¹⁸ The general contractor or owner may request a certificate of occupancy from either the building department having jurisdiction or the Board.¹⁹ The bill requires the Board to adopt rules relating to the procedures for the review and processing of the inspection reports by the building official of the building department having jurisdiction.²⁰

Local building department – inspection contract

If the building department having jurisdiction contracts with a third-party private inspector or certified building department from the list, then the building department having jurisdiction must pay the third-party private inspector or certified building department the fee collected for the inspection.²¹

Conforming changes

The bill makes conforming changes to the law; making an inspector that contracts with an owner or general contractor pursuant to the bill's provisions also subject to the law relating to disqualification for specified conflict of interests.²²

¹⁶ R.C. 3781.181(D)(1).

¹⁷ R.C. 3781.181(D)(2) and (3).

¹⁸ R.C. 3781.181(D)(4).

¹⁹ R.C. 3781.181(F).

²⁰ R.C. 3781.181(D)(5).

²¹ R.C. 3781.181(E).

²² R.C. 3781.10(E)(11)(a).

Property conveyance transparency

The bill requires the grantee (i.e., the buyer) in a transaction that conveys ownership of real property or a manufactured or mobile home to provide certain information to the county auditor before the auditor indorses the transaction. If the grantee is a natural person, the grantee must submit an affirmation of that fact. If the grantee is not a natural person – such as a trust, business, or nonprofit corporation - the grantee must identify a natural person who owns or controls the grantee. Under the bill, "control" means the authority to direct the affairs and day-to-day operations of the grantee. "Own" is defined as possession of more than 50% of the stock, equity, or other ownership interest of the grantee. Finally, if no natural person owns or controls the grantee, the grantee must instead designate a natural person to serve as the grantee's agent. If the grantee is not a natural person, the statement issued to the county auditor must vest the owner or the designated agent with the authority to make binding decisions on behalf of the grantee respecting the real property or manufactured or mobile home that is the subject of the conveyance. The bill authorizes the grantee to change the information provided for the owner or agent by filing a petition in the court of common pleas, in the same manner permitted for correcting an error, omission, or defect in an instrument or writing under continuing law. The county auditor is prohibited from indorsing a conveyance without first receiving the affirmation or statement required by the bill.²³

HISTORY

Action	Date
Introduced	02-04-25

ANSB0083IN-136/ar

²³ R.C. 319.20 and 319.204.