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OHIO LEGISLATIVE SERVICE COMMISSION

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H.B. 20
134th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Introduced

Primary Sponsors: Reps. Leland and Crossman

Local Impact Statement Procedure Required: Yes

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Highlights

- During the emergency period, common pleas, municipal, and county courts will experience a decrease in workload and related expenses associated with eviction and foreclosure actions, and a corresponding decrease in revenues in the form of court costs and fees. Once the state of emergency concludes, the courts will experience, for a period, an increase in those case types and related costs, as well as any costs for complying with the bill's mediation requirement.
- For the duration of the emergency, local law enforcement's work on eviction and foreclosure actions will effectively stop, and no related fees and other money will be collected. Once the state of emergency concludes, that work will restart, with a notable temporary increase to handle the delay in such actions.

Detailed Analysis

The bill places a moratorium on eviction orders and foreclosure actions during the state of emergency declared under Executive Order 2020-01D by Governor DeWine on March 9, 2020, requires mediation actions after the emergency ends, and declares an emergency. There is currently a state moratorium in place which generally stays certain eviction proceedings and mirrors the national eviction moratorium which is set to expire March 31, 2021.

The bill: (1) prohibits courts from issuing an order for either restitution to a property owner or removal of a tenant, or eviction, and prevents law enforcement from executing such an order until the termination of the emergency period, and (2) prohibits courts from conducting

any business pertaining to foreclosure on residential and commercial property.¹ The bill will halt all evictions, including evictions that are not currently prohibited or excluded under the Centers for Disease Control and Prevention (CDC) nationwide moratorium and as outlined by the Ohio Supreme Court.²

According to the U.S. Department of Housing and Urban Development, “1 in 5 renters is behind on rent and just over 10 million homeowners are behind on mortgage payments.”³ In January 2021, Apartment List conducted a survey of 4,000 American renters and found that 30% of those surveyed did not make their January payments on time. Delinquent rental payments peaked in the summer of 2020, but still remain high.⁴

Local courts

Eviction cases are handled by municipal and county courts, while foreclosure cases are under the jurisdiction of common pleas courts. Under the bill, courts are required to:

- Refuse to accept complaints and other pleadings seeking to commence foreclosure actions;
- Stay all pending foreclosure actions;
- Refuse to accept all motions or other pleadings seeking writs of execution on judgements in foreclosure actions;
- Defer confirming any pending judicial sales; and
- Stay all judicial sales, whether by a sheriff or by private selling officer.

During the emergency period, common pleas, municipal, and county courts with subject matter jurisdiction over eviction and foreclosure actions will experience a decrease in workload and related expenses related to eviction and foreclosure actions and a corresponding decrease in revenues in the form of court costs and fees. After the emergency period, clerks of courts may experience an increase in administrative costs to process the backlog of cases.

Mediation

At the conclusion of the emergency period, and for 60 days thereafter, courts are required to refer any forcible entry and detainer or foreclosure proceedings initiated due to default on a mortgage or nonpayment of rent for a residential or commercial property to mediation. Under the bill, mediation costs will be borne by the courts and conclude at their discretion.

Costs to the court will vary based on the number of eviction and foreclosure cases, and whether the court already has a mediation program and adequate staff in place. The costs could be significant for a court to create and operate a new mediation program or to expand an existing program – especially for a court in which there are a high number of cases. If a court is able to

¹ Commercial properties are not included under the current state and national moratoriums.

² <https://supremecourt.ohio.gov/coronavirus/resources/cdcEvictions.pdf>.

³ U.S. Department of Housing and Urban Development. https://www.hud.gov/sites/dfiles/Main/documents/Factsheet_Housing_Provisions_American_Rescue_Plan_Act-2021.pdf.

⁴ Apartment List. <https://www.apartmentlist.com/research/rent-debt-2021>.

collaborate with an agency, nonprofit organization, or another court, then the costs to create and operate such a program may be less burdensome.

As an example, Franklin County Municipal Court processes nearly 15,000 eviction cases annually and mediates 1,500 total cases (any case type) annually using a mix of permanent staff and contractors. Court staff anticipate that current staffing levels will not be able to keep up with the backlog of eviction cases created under the bill once the state of emergency concludes and that additional staff will be required.

Local law enforcement

For the duration of the emergency, local law enforcement's work on eviction and foreclosure actions will effectively stop, and no related fees and other money will be collected. Once the state of emergency concludes, that work will restart, with a notable temporary increase to handle the delay in such actions.