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# OHIO LEGISLATIVE SERVICE COMMISSION

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## Bill Analysis

**Version:** As Introduced

**Primary Sponsors:** Reps. Blackshear and White

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### SUMMARY

- In some counties, requires owners of vacant property to file and update contact information with a county auditor.
- Allows the county auditor to charge a vacant property owner who fails to provide or update their contact information 1% of the property's assessed/taxable value (e.g., \$1,200 in the case of an owner whose assessed/taxable value is \$120,000), but not less than \$500.
- Allows the county auditor to contract with local entities who will provide the county auditor a list of vacant properties in exchange for a share of the proceeds from the charges.
- Requires the county auditor to maintain vacant property owners' contact information on the tax list or property record.

### DETAILED ANALYSIS

#### Vacant property reporting

The bill requires property owners<sup>1</sup> of vacant property in certain counties to provide the following information to the county auditor, upon request:

- The owner's name and address. If the property is owned by an entity such as a trust or corporation, the bill requires the name and address of a relevant party such as the trustee or a corporate officer; and

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<sup>1</sup> The bill only applies to *private* property owners and not public property owners such as the state, political subdivisions, or a county land bank. The owner is whomever holds legal title to the property. See R.C. 5323.01.

- The address and permanent parcel number of the vacant property.<sup>2</sup>

The county auditor in every county with a population exceeding 200,000 is required to request and maintain this information; in any other county, the county auditor may opt in to the requirement.<sup>3</sup> The county auditor maintains this information on the county's tax list or the real property record.<sup>4</sup> A charge is assessed against a property owner who fails to comply in a timely matter (explained in greater detail below under "**Penalty**").<sup>5</sup>

A property is considered vacant if it meets the following definition: "any parcel, or group of contiguous parcels under common ownership . . . on which a building exists that is no longer used for residential or commercial purposes." Property is not considered vacant if the building is used seasonally, meaning it is used for not less than four but not more than 40 weeks in any consecutive 52-week period. And, the bill does not apply to mobile homes or manufactured homes.<sup>6</sup>

## County auditor's duties

### General notice

To begin the process under the bill draft, a county auditor must provide notice via all of the following means:

- By sending a letter to the mailing address on file for each property on the county's delinquent vacant land tax list (a list compiled by the county auditor of unimproved properties upon which delinquent tax is due and unpaid for at least one year.<sup>7</sup>
- By posting on the county auditor's website.
- By publishing at least once in a newspaper or electronic newspaper of general circulation in the county.

The notice must include information about the reporting requirements, the deadline to file the necessary information with the county auditor, and the potential charges for failure to

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<sup>2</sup> R.C. 5323.03(A)(2).

<sup>3</sup> A county auditor that opts in may later opt out by posting notice on its website for 30 days and publishing notice at least once in a newspaper of general circulation in the county. If a county's population falls to 200,000 or less, the bill specifies the reduction "does not affect the prior compliance." R.C. 319.542(A).

<sup>4</sup> R.C. 5323.03(B).

<sup>5</sup> R.C. 5323.99(B).

<sup>6</sup> R.C. 5323.01.

<sup>7</sup> R.C. 5721.01 and 5721.03, not in the bill. A property is "unimproved" if it does not contain a dwelling – a structure intended for residential use. Because the bill only applies to properties that include a building, this notice may be sent to some properties that are not subject to the bill's requirements.

comply.<sup>8</sup> Property owners who receive this notice are not required to respond; only property owners who receive a specific notice (discussed below under “**Specific notice**”) are required to respond.

### **Contracts with local entities**

A county auditor also may contract with the following entities to have those entities provide the county auditor information about vacant properties: a municipal corporation, township, county land bank, metropolitan housing authority, legal aid society, or local community organization<sup>9</sup> located within the county.

A contracted entity must provide the county auditor with an annual list of vacant properties and must include evidence demonstrating how each property meets the definition of vacant property. A contracted entity provides information only about properties located within the entity’s jurisdiction or within the territory generally served by the entity.

In return, the county auditor provides the entity a share of the charges the county auditor collects from property owners who fail to comply. The rate of an entity’s share is set by the contract, but the bill specifies that townships and municipal corporations that “agrees to share with the county auditor public records for dwelling units” are entitled to 50% of the charges collected from those units.

Finally, the contract must specify the county auditor remains entitled to designate, on the county auditor’s own initiative, a property as vacant that is located within the entity’s jurisdiction or within the territory served by the entity.<sup>10</sup>

### **Specific notice**

When the county auditor determines property meets the definition of vacant property, or within 60 days after receiving a list of vacant properties from a contracted entity, the county auditor must notify a property owner that the owner’s property has been determined to be vacant. The notice must include all of the following:

- The property’s address and parcel number(s);
- A description of the owner’s obligation to provide contact information;
- A description of the owner’s obligation to update contact information;
- A description of the owner’s obligation to designate an agent, if applicable;

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<sup>8</sup> R.C. 319.542(A).

<sup>9</sup> “Local community organization” means a nonprofit entity that serves the local community, conducts community outreach, and has access to housing information similar to the other listed entities. R.C. 319.542(D).

<sup>10</sup> R.C. 319.542(C).

- A description of the potential charges against the property if the owner fails to provide or update the contact information as required; and
- A description of the process to appeal those charges.<sup>11</sup>

The county auditor also may send this notice during a conveyance of property when the county auditor indorses the conveyance, or may ask the county treasurer to send the notice when the county treasurer sends a tax bill to a property owner.<sup>12</sup>

The county auditor must provide a means for property owners to electronically submit the required information to the county auditor.<sup>13</sup>

## **Property owner's duties**

### **Providing and updating information**

Not later than 60 days after receiving specific notice from the county auditor, a property owner is required to provide the necessary information (detailed above under “**Vacant property reporting**”) to the county auditor.<sup>14</sup> If the information changes at any point while the owner still owns the property, the owner is required to update the information within 60 days of the change.<sup>15</sup> The property owner also is required to update the information not later than 60 days after the owner receives notice that the property underwent the reappraisal or triennial update required under continuing law (essentially, a property owner can expect to update this information every three years).<sup>16</sup>

If a property owner lives out-of-state, the owner is required to designate an individual who lives within Ohio as the owner's agent. The agent may provide or update the contact information required under the bill.<sup>17</sup>

### **Penalty**

If a property owner fails to comply with the bill's requirements, the county auditor will assess a charge against the property equal to 1% of the property's total assessed/taxable value (or \$500, if 1% of the assessed/taxable value is less than \$500). For example, a property owner whose property has an assessed/taxable value of \$112,320 owes \$1,123 for failing to provide the owner's contact information, failing to update that information, or failing to designate an agent (in the case of an out-of-state owner). The county auditor uses a portion of the funds to compensate the contracted entities that provide the county auditor the lists of vacant

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<sup>11</sup> R.C. 5323.03(A).

<sup>12</sup> R.C. 319.202(D)(2) and 323.131(B)(2).

<sup>13</sup> R.C. 319.542(B) and 5323.03(A)(1).

<sup>14</sup> R.C. 5323.03(A)(3).

<sup>15</sup> R.C. 5323.03(C).

<sup>16</sup> See R.C. 5713.01, not in the bill, and R.C. 5323.03(C).

<sup>17</sup> R.C. 5323.03(F) and 5323.04.

properties (described above under “**Contracts with local entities**”) and retains the remaining funds to perform the duties under the bill; excess funds must be transferred to the county general fund.<sup>18</sup>

The charge is collected and treated in the same manner as property taxes. A property owner may appeal a charge to the county board of revision, which has general authority to hear appeals regarding assessments against real property.<sup>19</sup>

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## HISTORY

Action	Date
Introduced	02-09-22

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<sup>18</sup> R.C. 5323.99(B) and (D).

<sup>19</sup> R.C. 5323.99(C) and Chapter 5715 of the Revised Code, not in the bill.