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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

H.B. 390
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 390's Bill Analysis](#)

Version: As Passed by the House

Primary Sponsors: Reps. Brown and Swearingen

Local Impact Statement Procedure Required: No

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Highlights

- Changing the notification requirements and increasing the monetary threshold by which the clerk of court must notify judgment debtors will slightly reduce administrative expenditures for political subdivisions and potentially increase their revenues by minimal amounts.

Detailed Analysis

The bill makes several changes to the property sales arising from court judgments against debtors in default of their mortgage or property taxes. Ohio is a judicial foreclosure state, meaning a court oversees the foreclosure process. The court declares a sheriff's sale, which means that the property will be sold at a public auction. Upon completion of the sale, the sheriff must pay out of the proceeds, which normally includes clerk of court costs (including sheriff fees, appraiser fees, advertising costs, etc.), delinquent taxes, and the remaining balance is paid to the judgment creditor.

Among the multiple changes contained within the bill, the "excess funds" provision has the most prominent fiscal effect. In the event that the amounts paid for the property at auction exceed the court order for restitution, continuing law requires the judgment debtor to be notified. The bill increases the threshold for this notification from an excess balance of \$100 to \$500. Moreover, the bill reduces the administrative requirements imposed on the clerk of court in those instances when the judgment debtor's name or address are unknown. The bill authorizes comparatively less expensive notification options, such as notice published in a newspaper, posted on the clerk's website, sent via text message to the judgment debtor, or posted in a conspicuous place in the court where the foreclosure action commenced. The bill's changes will slightly reduce administrative expenditures for political subdivisions and potentially increase their revenues by minimal amounts.