



TAX FORECLOSURE PROCESS

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WHAT IS A TAX FORECLOSURE?

- **A LAWSUIT AGAINST A PIECE OF PROPERTY WITH CERTIFIED DELINQUENT REAL PROPERTY TAXES**
- **FILED ON BEHALF OF THE COUNTY TREASURER**
- **TO COMPEL THE PAYMENT OF CERTIFIED DELINQUENT REAL PROPERTY TAXES AND CHARGES, *OR***
- **OBTAIN ORDER TO TERMINATE RIGHTS OF OWNER AND TRANSFER TITLE TO RESPONSIBLE PARTY**

WHAT IS A TAX FORECLOSURE?

- **PARTIES JOINED HAVE AN OWNERSHIP OR LIEN INTEREST**
- **RESULTS IN A JUDICIAL OR ADMINISTRATIVE ORDER TO HAVE THE PARCEL TRANSFERRED BY JUDICIAL SALE OR DIRECT TRANSFER TO A LAND BANK**

CCPO TAX FORECLOSURE UNIT

- **SEVEN STAFF ATTORNEYS AND SUPERVISING ATTORNEY**
- **21 LEGAL SECRETARIES AND A SUPERVISING OFFICE MANAGER**
- **OUR CLIENTS ARE THE COUNTY FISCAL OFFICER, COUNTY TREASURER AND COUNTY SHERIFF IN MATTERS RELATING TO TAXATION AND SALES**
- **PROSECUTE TAX FORECLOSURE ACTIONS IN COMMON PLEAS GENERAL DIVISION AND PROBATE, BOARD OF REVISION (BOR), EIGHTH DISTRICT COURT OF APPEALS, U.S. DISTRICT COURT AND U.S. BANKRUPTCY COURT**

OBJECTIVES

BY PROSECUTING TAX DELINQUENT PROPERTIES, WE HELP...

- **COLLECT TAXES THAT FUND SCHOOLS AND OTHER COUNTY SERVICES,**
- **COMMUNITIES FIGHT BLIGHT AND VACANT PROPERTY-BASED CRIME,**
- **CLEAR LEGAL TITLE, AND**
- **GET THE PROPERTY IN THE HANDS OF NEW OWNERS WHO CREATE TAX REVENUE THROUGH FUTURE REUTILIZATION**

**80-85% OF TAX DELINQUENT PROPERTIES PROSECUTED
ARE VACANT LOTS OR ABANDONED, BLIGHTED STRUCTURES**



GOVERNING LAW

- **OHIO REVISED CODE – PROVIDES GOVERNING LAW FOR ASSESSING TAX VALUE, COLLECTING TAXES AND PROSECUTING ACTIONS AGAINST DELINQUENT LANDS. (R.C. 323 AND R.C. 5721)**
- **OHIO RULES OF COURT –**
 - **OHIO CIVIL RULES**
 - **CUYAHOGA COUNTY GENERAL DIVISION LOCAL RULES**
 - **STANDING ORDERS OF THE INDIVIDUAL COURTS**

SPECIALIZED JURISDICTIONS

- **U.S. BANKRUPTCY CODE**
- **CUYAHOGA COUNTY PROBATE COURT**

POSSIBLE DELAYS

- **PERFECTING SERVICE ON DEFENDANTS—DUE PROCESS RIGHTS**
- **U.S. SERVICEMEMBERS' CIVIL RELIEF ACT (“SCRA”)**
- **BANKRUPTCY FILINGS**
- **PREVIOUSLY FILED ACTIONS (“BANK WALKAWAYS”)**
- **TREASURER’S PAYMENT PLANS**

WE FILE TAX FORECLOSURES IN TWO JURISDICTIONS. HOW DO WE CHOOSE?



JUDICIAL TAX FORECLOSURES

- **TITLE WORK RESEARCH (PERFORMED BY INTERNAL STAFF)**
- **ORDER LAND BANK AFFIDAVIT**
- **ORDER AND PROCESS TITLE WORK (I.E. PRELIMINARY JUDICIAL REPORT, “PJR”)**
- **ATTORNEY REVIEW OF LEGAL DESCRIPTION, NECESSARY PARTIES, DELINQUENCIES, NOTES**
- **DEFENDANT RESEARCH – VERIFY IDENTITIES AND ADDRESSES FOR SERVICE OF PROCESS**
- **PREPARE AND FILE COMPLAINT – ELECTRONIC FILING WITH CLERK OF COURTS**

JUDICIAL TAX FORECLOSURES

- **PERFECTING SERVICE – UP TO SIX MONTHS OR HAVE TO ASK COURT FOR MORE TIME**
- **FILE HEARING PACKET –MOTION FOR HEARING DATE, FINAL JUDICIAL REPORT, MILITARY AFFIDAVIT (FOR NATURAL PERSONS), AND LAND BANK AFFIDAVIT**
- **HEARING WITH MAGISTRATE – 34 JUDGES AND 13 MAGISTRATES**
- **MAGISTRATE’S DECISION FILED AND CIRCULATED AMONG PARTIES TO CASE**
- **ORDER ADOPTING DECISION – APPROXIMATELY TWO WEEKS LATER**

POST JUDGMENT

- **ORDER OF SALE**
- **SHERIFF SALE**
- **SALE RESULTS: SOLD TO PRIVATE PARTY *OR* SOLD BY TRANSFER TO LAND BANK *OR* FORFEITURE TO STATE OF OHIO AUDITOR**
- **CONFIRMATION OF SALE – APPROXIMATELY TWO WEEKS AFTER SALE**

BOARD OF REVISION

- **BOARD OF REVISION IS AN EXPEDITED PROCESS**
- **BOARD OF REVISION HAS LIMITED JURISDICTION FOR VACANT LOTS AND ABANDONED STRUCTURES**
- **ALL PROCEDURAL STEPS FOR FILING COMPLAINT AND PERFECTING SERVICE ARE THE SAME**
- **BOARD OF REVISION HEARINGS HELD IN FRONT OF THREE HEARING OFFICERS**

BOARD OF REVISION

PARCELS FILED IN BOARD OF REVISION CASES MAY BE TRANSFERRED DIRECTLY TO LAND BANK AFTER OWNER FAILS TO TIMELY PAY THE ALL DELINQUENT TAXES AND OTHER CHARGES.

DIRECT TRANSFERS AND “ARR”

- **DIRECT TRANSFER – WHEN “IMPOSITIONS” AGAINST LAND ARE GREATER THAN FAIR MARKET VALUE. TRANSFER IS EFFECTIVE WHEN ORDER IS ENTERED.**
- **DIRECT TRANSFER *SUBJECT TO ALTERNATIVE RIGHT OF REDEMPTION (“ARR”)* – WHEN IMPOSITIONS AGAINST LAND ARE NOT GREATER THAN FAIR MARKET VALUE , OWNER HAS 28 DAYS AFTER ORDER OF FORECLOSURE IS ENTERED TO PAY IN FULL OR PARCEL WILL BE TRANSFERRED TO THE LAND BANK THAT WANTS TO TAKE TITLE.**

SHERIFF SALES

- **ORDER OF SALE**
- **SHERIFF SALE**
- **SALE RESULTS:**
 - **SOLD TO PRIVATE PARTY *OR***
 - **SOLD BY TRANSFER TO LAND BANK *OR***
 - **CONFIRMATION OF SALE – APPROXIMATELY TWO WEEKS AFTER SALE**

SHERIFF SALES

- **SHERIFF SALES FOR TAX FORECLOSED PROPERTIES ARE CONDUCTED EVERY OTHER MONTH (FEBRUARY, APRIL, JUNE, AUGUST, OCTOBER AND DECEMBER OF EACH YEAR) AT 9:00 A.M. (TAX SALES USUALLY START ABOUT 10:00 A.M.)**
- **LOCATION**
THE JUSTICE CENTER
1215 W. 3RD STREET
CLEVELAND, OH 44313
- **CONTACT**
216-443-6000 X 1226

**IF PARCEL DOES NOT SELL AT
SHERIFF'S SALE, IT WILL BE
FORFEITED TO STATE OF OHIO**

2015 RESULTS

- **TAX FORECLOSURE UNIT FILED A TOTAL OF 2,254 CASES**
 - **71% WERE FILED IN THE BOARD OF REVISION**
 - **29% WERE FILED AS JUDICIAL CASES**

BUT WAIT, THERE'S MORE!

- **FILED 1,618 ANSWERS ON BEHALF OF TREASURER OR FISCAL OFFICER**
- **PROCESSED 562 ONE-STOP (“PAYMENT IN FULL”) PAYMENTS**
- **FILED 119 MOTION TO INTERVENE/VACATE AND DISMISS DEFUNCT MORTGAGE FORECLOSURE CASES**
- **AIDED IN DEMOLITION OF 199 STRUCTURES VIA DTAC DEMOLITION PROJECT**
- **REPRESENT SHERIFF IN CONTEMPT ACTIONS WHEN SALES ARE NOT COMPLETED.**

AND WHAT ELSE?

- **WE WORK WITH MUNICIPAL HOUSING COURTS AND DOCKETS TO MANAGE PROPERTIES THAT ARE INVOLVED IN MULTIPLE ACTIONS ACROSS JURISDICTIONS.**
- **WE RESPOND TO NOTICES OF MUNICIPAL VACANT PROPERTY AND FORECLOSURE REGISTRIES, BUT AS A GOVERNMENT ENTITY, WE DO NOT PAY A REGISTRATION FEE.**

**KEEP CALM
AND
FILL OUT
THE
LAND BANK AFFIDAVIT**