



Administrative Rules Board  
AGENDA  
Thursday, July 25, 2024, 10:30 a.m.  
Administrative Headquarters 2079 E. Ninth Street,  
4th Floor – Committee Room B

**1. CALL TO ORDER**

**2. ROLL CALL BY CLERK**

**2. APPROVAL OF PRIOR MEETING MINUTES**

- a. March 21, 2024
- b. June 13, 2024

**4. PUBLIC COMMENT RELATED TO THE AGENDA**

**5. ITEMS UNDER CONSIDERATION FOR ADOPTION (POTENTIALLY UNDER WAIVER OF TWO-READING RULE)**

<b>RESOLUTION NO.</b>	<b>REQUESTING ENTITY</b>	<b>RULE TITLE</b>	<b>ACTION</b>
<b>ARB2024-0004</b>	Cuyahoga County Treasurer's Office	Partial Payment Policy	Adopt permanent rule
<b>ARB2024-0005</b>	Cuyahoga County Treasurer's Office	Vacant Lands Bills Policy	Adopt permanent rule

**6. MISCELLANEOUS BUSINESS**

**7. PUBLIC COMMENT UNRELATED TO THE AGENDA**

**8. ADJOURNMENT**

**Cuyahoga County Treasurer's Office**  
*Partial Payment Policy*



## **Cuyahoga County Treasurer's Office**

### *Policy Concerning the Acceptance of Partial Payments for Delinquent Taxes*

#### **Legal Authority.**

Under Sections 5719.03(E) (current taxes) and 323.132 (delinquent taxes) of the Ohio Revised Code ("Code"), the County Treasurer may accept partial payment of taxes. The Code gives the Treasurer discretion to accept or reject partial payments as the Treasurer sees fit. This discretion is limited by Constitutional constraints at the level of both the U.S. Constitution and the Ohio Constitution.

The Equal Protection Clause of the Fourteenth Amendment of the U.S. Constitution requires that the government treat similarly situated individuals consistently. The Equal Protection Clause of the Ohio Constitution affords identical protections. Although the Treasurer's Office can elect to accept or reject partial payments, it must do so according to a policy rationally related to a legitimate governmental purpose. It cannot vary its treatment of such payments in a discriminatory or arbitrary manner.

#### **Partial Payments Policy.**

Therefore, with the aim of maximizing the collection of tax revenue within the applicable constitutional constraints, the Treasurer adopts the following policy concerning the acceptance of partial payments for delinquent taxes.

If a taxpayer tenders less than the full amount due and payable towards delinquent taxes, the Treasurer shall accept that partial payment. Payments shall be applied to the oldest delinquency first, unless the application of the amount tendered to current taxes would result in the taxpayer avoiding additional interest and/or penalties.

Partial payments under the terms of a performing delinquent tax contract are governed under the terms of the Ohio Revised Code pertaining to delinquent tax contracts and a separate Treasurer policy.

For all other partial payments, when the Treasurer accepts a partial payment, the Treasurer shall provide notice to the taxpayer advising the taxpayer that:

- Payment of less than the full amount of delinquent taxes will not prevent the filing or prosecution of a foreclosure action;
- In the event of a foreclosure sale, if there are no excess proceeds, the value of any partial payment made will be lost to the taxpayer and unrecoverable; and
- The taxpayer is advised to consult with legal counsel prior to tendering partial payment of delinquent taxes.

*Adopted XXXX XX, 2024  
Last Revised July 8, 2024*

**Cuyahoga County Treasurer's Office**  
*Vacant Land Bills*



## **Cuyahoga County Treasurer's Office**

### *Policy For Expenses Related to Undeliverable Tax Bills Against Delinquent Vacant Lands*

#### **Background.**

The County Treasurer has numerous statutory powers and responsibilities, two of which are relevant to this policy:

- The collection of cash owed to the County, including the collection of property taxes; and
- Cash management, with a duty to manage the assets of the County in a responsible manner.

#### **Legal Authority and Discussion.**

To fulfill these roles, the County Treasurer requires certain powers, some of which are expressly granted by statute and other implied because they are necessary to carry out the treasurer's duties.<sup>1</sup> An implicit power may arise where an express obligation imposed by the Ohio Revised Code ("Code") appears to require one action, but another duty requires a mutually exclusive action. In such a case, the County Treasurer must have the power to exercise reasonable discretion to resolve the conflict.

As part of the County Treasurer's property tax collection role, the Treasurer is obliged under Section 323.13 of the Code to mail tax bills to owners of record. This obligation is generally understandable and non-problematic, as it is critical to put property owners on notice of their obligation to pay. For most property owners, mailing a bill is an effective part of the County treasurer's tax collection office, because property owners will comply with their own obligation to provide a good address and the mailed bills will reach the owners and eventually result in collection of property taxes.

An issue arises, however, where property owners fail to meet their obligations, both to pay their bills and to update the County when their mailing address changes. An unknown but significant number of parcels in the County are delinquent, vacant without any improvements, and have a tax mailing address of the parcel itself. Because the address points to a vacant lot, mail delivery to that address fails, and the cost of printing and mailing a bill cannot achieve payment. Such costs are small individually, but they add up to a substantial cost in the aggregate, twice per year, every year, with no perceptible benefit to the County. Thus, blindly mailing tax bills in such cases results in significant, predictable waste.

A policy which results in significant, predictable waste runs headlong into conflict with the County Treasurer's other role as cash manager, and its attendant duty to manage the County's assets in a responsible manner. The County Treasurer is subject to an investment policy adopted by majority vote of the Investment Advisory Committee. According to the purpose statement of the policy, it is "designed to ensure the prudent management of public funds." It commands that the County Treasurer "shall act responsibly as custodian of the public trust."

Maintaining a process that requires regularly spending large amounts of public funds in a

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<sup>1</sup> . State ex rel. Kuntz v. Zangerle, 130 Ohio St. 84, 89 (1935).

manner which the Treasurer knows will generate no public benefit is in direct conflict with the Treasurer's obligation to act as a responsible custodian of public assets.

## **Undeliverable Tax Bills Policy.**

Therefore, in order to meet its obligation as responsible custodian of the public trust and resolve this conflict, the Treasurer hereby adopts the following policy.

For known undeliverable bills, the Treasurer shall prepare tax bills as is required, but the Treasurer shall not expend public resources to print or mail physical copies of those bills. Electronic versions of those tax bills will remain available via the County's online payment platform.

A "known undeliverable bill" is one which meets all the following criteria:

- It pertains to a parcel on the delinquent vacant lands list; and either
  - All bills mailed to the address have been returned as undeliverable for at least one year; or
  - It is addressed to the parcel itself and the parcel is unimproved and thus incapable of acting as a valid mailing address.

If the owner of the parcel provides an updated mailing address, then its bill will no longer be considered undeliverable for the purposes of this policy and will be placed back on the list of production and distribution of physical tax bills.

The Treasurer shall maintain a list of all undeliverable bills, including the parcel number, property address, the record owner's name, and the undeliverable mailing address. The list will be published on a website maintained by the County that is publicly available and searchable through widely used search engines to put property owners on notice that the County will not provide them with a physical tax bill unless they meet their obligation to update their mailing address.

*Adopted XXXX XX, 2024  
Last Revised July 8, 2024*