



Administrative Rules Board
AGENDA
Thursday, August 22, 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

3. APPROVAL OF PRIOR MEETING MINUTES

a. July 25, 2024

4. PUBLIC COMMENT RELATED TO THE AGENDA

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

| RESOLUTION NO. | REQUESTING ENTITY | RULE TITLE | ACTION |
|-----------------------|---------------------------------------|---|----------------------|
| ARB2024-0006 | Cuyahoga County Treasurer's Office | Delinquent Tax Policies and Procedures | Amend permanent rule |
| ARB2024-0007 | Cuyahoga County Treasurer's Office | Processing Requests for the Remission of Real Property and Manufactured Home Late-Payment Penalties Policy | Adopt permanent rule |
| ARB2024-0008 | Cuyahoga County Treasurer's Office | Real Property Tax Suspension List Policy | Adopt permanent rule |

6. MISCELLANEOUS BUSINESS

7. PUBLIC COMMENT UNRELATED TO THE AGENDA

8. ADJOURNMENT

Cuyahoga County Treasurer's Office
Delinquent Tax Policies and Procedures
(Amendment)



Cuyahoga County Treasurer's Office
Delinquent Tax Policies and Procedures

Foreword.

The Treasurer's Office has a dual mandate in its obligation to maximize tax collections and its public policy interest in building a thriving community by helping residents remain in their homes and promoting strong main streets.

These policies and procedures for managing tax delinquencies are written with the aim of striking a balance between those dual mandates that is equitable, easy for taxpayers to understand, and consistent.

Delinquency Generally.

In Ohio, property taxes are "delinquent" if all or a portion of the required tax payment remains unpaid after each of the biennial collections established by the Treasurer's Office (typically in February and July respectively).¹ Taxes that remain unpaid at the end of each collection are assessed a 10% late penalty,² and additional interest charges are added to unpaid delinquencies in September and December thereafter.³ Penalties and interest appear on tax bills issued after they are incurred, along with the base amount of taxes owed and any relevant special assessments.

If a taxpayer continues to owe outstanding taxes after a full collection cycle,⁴ the taxpayer's outstanding debt is *certified* as delinquent by the Fiscal Office.⁵

During the third quarter of the year, an additional tax bill (also known as 3rd billing) will be sent to taxpayers who have a remaining unpaid balance that has not been previously published. Failure to pay unpaid taxes or enter into a tax payment contract by the date indicated on the bill will result in the first of two notice publications. Those who have not paid the unpaid balance or entered into a tax payment contract two weeks after the first publication will be published a second time, and the property will be eligible for foreclosure or tax lien certificate sale the following year.

All told, taxpayers who fail to make payment will be sent at least three notices of unpaid taxes via tax bill, and a notice letter for lien certificate sales (if applicable). Continued failure to make payment will result in the publication of a final notice in a newspaper of general circulation identifying the taxpayer and real property by name and location. This publication will lead to additional expense to the taxpayer.

If taxpayers fail to respond, the delinquency will be certified and the Treasurer may institute collection proceedings consistent with the provisions of this policy and the Ohio Revised Code.

¹ ORC 323.01.

² ORC 323.121(B).

³ *Id.*

⁴ A "full collection cycle" means the period from the end of the prior year's second half collection in July through the end of the succeeding year's collection in December. See ORC 323.25.

⁵ ORC 5721.03.

Tax Lien Certificate Sales.

The Treasurer's Office may, at the Treasurer's discretion, hold a tax lien sale for properties with certified delinquent taxes that have not made payment in full or established a delinquent tax payment contract.⁶ Taxpayers who have failed to make payments in accordance with existing contracts may also be subject to this sale.

The Treasurer will send a certified letter (presale notice) when a tax lien certificate sale is scheduled. The presale notice informs taxpayers that the delinquent taxes will be offered for sale as a tax lien 30 days from the date of the letter unless payment in full is received or a delinquent tax payment contract is established and maintained. Once the presale notice is sent, the Treasurer's Office will add an administrative fee to the amount due for payment on the parcel, and the parcel will be assigned a "Certificate Pending" or "Cert Pending" status.

A tax lien sale may follow this letter in the Fall. All remaining certified delinquent taxes after the sale receive a delinquent tax bill mailing. Taxpayers who fail to make a payment or set up a delinquent tax payment contract in response to this bill will have their names and properties published in the newspaper by the Fiscal Officer.

The delinquent taxes, penalties, interest, special assessments and administrative fees due on the parcel at the time of sale are paid in full by the tax lien certificate purchaser. The certificate purchase price excludes current year taxes, which remain the responsibility of the taxpayer. Taxpayers may be subject to the sale of additional lien certificates for any subsequent delinquencies.

The administrative fee must be collected in full along with the initial payment to establish a delinquent tax payment contract. A "One Stop Payment" form must be processed denoting the taxes and "Cert Pending" fee collected (see below). Payments must be submitted in the form of cash, money order or certified check. No electronic payments are accepted. Cash payments must be made in-person at the Treasurer's Office.

After the close of the second-half collection on a parcel with an outstanding tax lien certificate, all past due taxes are delinquent and not eligible for a delinquent tax payment contract. Until and unless the "Cert Sold" status is removed via release of the lien, delinquent tax payment contracts are not permitted.⁷

Foreclosures – Generally.

The Treasurer works with the Cuyahoga County Prosecutor to select and prioritize delinquent parcels for tax foreclosure.⁸

Cuyahoga County generally prioritizes tax foreclosure filings based on the total amount of the outstanding tax obligation, followed by the duration of the delinquency, among other criteria. The Treasurer and Prosecutor are required by the Ohio Revised Code to foreclose on all eligible delinquent parcels meeting the statutory requirements. The Treasurer and Prosecutor reserves the right to move a property up in priority based on public policy considerations or at the request of another political subdivision in the County, the Cuyahoga Land Bank or municipal land bank, nonprofit organizations engaging in community-oriented land use and housing work, or other interested parties.

⁶ ORC 5721.30 *et. seq.*

⁷ ORC 323.31(B).

⁸ The same is true for tax lien certificate sales *supra*.

Additional rules of procedure for foreclosures will vary based upon whether the parcel is occupied or vacant.

Foreclosures – Occupied Properties.

Where a property is occupied, the delinquent taxpayer may be afforded a final opportunity to make payment or establish a delinquent tax payment contract before foreclosure fees are incurred and the foreclosure process is initiated.⁹ If the taxpayer fails to redeem or establish a delinquent tax payment contract within 30 days of the date of the pre-filing letter, or misses payment on an established contract, foreclosure proceedings may begin.

Foreclosure proceedings will be commenced in the Court of Common Pleas when a property is occupied.

Foreclosures – Vacant Properties.

Where a property is vacant, the delinquent taxpayer may be afforded a final opportunity to make payment or establish a delinquent tax payment contract via letter from the Treasurer's Office.¹⁰ The taxpayer may be afforded the option of conveying the property directly to the Cuyahoga Land Bank or a municipal land bank utilizing a deed in lieu of foreclosure. If the taxpayer fails to complete any of these options within 30 days, or misses payment on an established contract, foreclosure proceedings may begin.

Foreclosure proceedings may be commenced in the Cuyahoga County Board of Revision where the property is vacant, impositions exceed the value set for tax purposes, and there is land bank interest in the property. Foreclosure proceedings on vacant properties will be commenced in the Court of Common Pleas when the value for tax purposes exceeds the impositions or there is no land bank interest.

Foreclosure Payment Contracts.

After a foreclosure action is filed, taxpayers may be eligible for one final contract. Failure to comply with the terms of the contract may result in an immediate decree of foreclosure and the scheduling of a Sheriff's sale to dispose of the property. Any person entitled to redeem who has not previously defaulted on a delinquent tax contract may be entitled to a delinquent tax contract.¹¹

“One Stop Payment” Forms.

The “One Stop Payment” form is used for processing payment on any parcel(s) associated with a tax foreclosure where additional costs related to the foreclosure are being collected along with the tax payment. The additional costs include, but are not limited to, court costs and filing fees, Sheriff costs, Prosecutor's title work fees, and where a tax lien sale has been scheduled but not completed.

Payments must be made in the form of cash, money order or certified check, and must include all accrued costs and the initial installment payment.

⁹ ORC 323.31; ORC 5721.25.

¹⁰ *Id.*

¹¹ ORC 5721.25.

A “Delinquent Tax Contract – Taxpayer Summary” addendum will be included with the delinquent tax payment contract for the taxpayer to read, initial and sign, and a copy will be provided for the taxpayer’s records.

Foreclosures – Parcels Ineligible for Payment Contracts.

A parcel in “Decree Journalized/Judgment” status is ineligible for a delinquent tax payment contract, and may be scheduled for the next available Sheriff’s sale, unless that parcel is owner-occupied and the owner has not previously been on a payment contract. Payment in full, including delinquent tax and foreclosure costs, is required in order to redeem a parcel and remove it from a Sheriff’s sale.

Delinquent Tax Payment Contracts.

ORC 323.31 states “...a person who owns and occupies residential real property, manufactured or mobile home that does not have an outstanding tax lien certificate or judgment of foreclosure against it...shall have *at least* one opportunity to pay any delinquent or unpaid current taxes, or both, by entering into a written delinquent tax contract with the county treasurer in a form prescribed or approved by the tax commissioner.” (Emphasis added.) A person who is a vendee of such property under a purchase agreement or land contract and occupies the property is also entitled to at least one delinquent tax contract.¹²

All “other” property owners are not entitled to a delinquent tax contract under the ORC, but may be offered contracts at the discretion of the county treasurer.

Reinterpreting the “Five-Year Window.”

ORC 323.31(A)(4) provides that delinquent tax contracts, with one exception,¹³ shall not exceed a period of five years.

In the past, the Treasurer’s Policy interpreted this statutory language to mean that taxpayers had five years following the initial payment establishing any contract to complete all contracts. In the event of default on a contract, the office allowed subsequent contracts during the balance of the time remaining in the “five-year window.” Subsequent contracts were limited in duration to the balance of that five-year period.

The Ohio Revised Code limits the period of any *given* delinquent tax contract to five years (or 60 months), but that the total number of contracts or total period under which contracts may be offered remains at the discretion of the County Treasurer.¹⁴

The Treasurer’s Office will not limit delinquent tax payment contracts to an overall period of five years, but will base the availability of delinquent tax payment contracts on the criteria below.

Delinquent Tax Payment Contracts – Generally.

Property owners on a delinquent tax payment contract must remain current on their tax bills, while also making installment payments on delinquent taxes under the delinquent tax payment

¹² *Id.*

¹³ ORC 323.31(A)(4)(b) allows for a period of ten years for delinquent tax payment contracts for qualifying athletic complexes as defined in ORC 5709.57.

¹⁴ ORC 323.31(A).

contract. Failure to pay current property taxes by the due date will result in default on the contract.¹⁵

Late payment interest is deferred while a taxpayer remains on a delinquent tax payment contract and is forgiven upon the successful completion of the contract.

If a taxpayer defaults on the contract, deferred interest will be added to the outstanding delinquent balance.

Failure to remain current on taxes may result in the sale of tax lien certificates on the property and/or tax foreclosure.

Delinquent parcels covered by valid and current delinquent tax payment contracts will be excluded from statutory delinquent tax list publications.

Contracts may be satisfied by a payment in full at any time.

Delinquent Tax Payment Contracts – Monthly.

Delinquent tax payment contracts are generally offered in monthly installments.

For delinquencies less than or equal to twelve months, the “6/6” and “12/12” rule applies (meaning delinquencies of six months or less are offered six-month installment contracts, and delinquencies of more than six months but less than twelve months are offered twelve-month installment contracts).

Monthly installment contracts for delinquencies exceeding twelve months may be offered for up to 60 months.

Payment of monthly installment contracts via automatic debit from a checking or savings account is preferred. Monthly contracts may also be paid via cash, check or money order, with accompanying coupons, upon request.

To establish a delinquent tax payment contract taxpayers must make the first month’s installment payment, along with any costs that may have been incurred,¹⁶ at the time the contract is signed. The minimum monthly payment for owner-occupied residential properties is \$50/month. The minimum monthly payment for all other classes of property is \$100/month.

Owner-Occupied Residential Properties.

Under state law, all owners of agricultural or residential properties occupying those properties, or similarly situated vendees under a purchase agreement or land contract, shall have at least one opportunity to pay delinquent taxes via contract with the Treasurer’s Office. All subsequent opportunities for additional contracts are at the sole discretion of the Treasurer.¹⁷

Owners of residential properties occupying those properties may be eligible for up to three delinquent tax payment contracts, except where a tax foreclosure case has been filed.¹⁸

¹⁵ The EasyPay Program allows taxpayers to pay current taxes in monthly, biannual or annual installments. More information is available at <https://www.cuyahogacounty.gov/treasury/pay-your-taxes/easypay>.

¹⁶ “Costs that may have been incurred” include, but are not limited to, publication costs, court costs, and filing fees.

¹⁷ ORC 323.31(A)(1).

¹⁸ See the foreclosure section of this policy on p. 3-4.

Owner-occupants may be offered housing counseling with a verified partner¹⁹ of the Treasurer's Office as a condition of entry into a third contract. In such cases taxpayers must provide proof of completion of counseling to the Treasurer's Office at the time of signing.

New purchasers of properties carrying²⁰ delinquencies will be permitted to enter into delinquent tax payment contracts if they reside in the property and their acquisition of the property was the result of an arm's length transaction,²¹ or in limited cases quit-claim deed.²² In all such cases, proof of residency will be required prior to the execution of a delinquent tax payment contract. Proof of residency can include an affidavit verifying occupancy and/or a current gas or electric bill in the purchasers' name at the property address.

Other Residential, Commercial, Industrial and Vacant Properties.

While state law requires the Treasurer to offer at least one delinquent tax payment contract to owner-occupants and similarly situated vendees, all other contracts are at the sole discretion of the Treasurer.²³

All other classes of property may be eligible for up to three delinquent tax payment contracts, except where a tax foreclosure case has been filed.²⁴

Eligibility for delinquent tax payment contracts after default on an initial contract will be contingent upon the payment of a minimum of 10% down at the time of contracting on the remaining delinquent balance.

Property owners may be offered consumer credit counseling with a certified²⁵ counseling service as a condition of entry into a third contract. In such cases taxpayers must provide proof of completion of counseling to the Treasurer's Office at the time of signing.

Ineligible Properties.

Properties in active bankruptcy or with unexpired outstanding tax lien certificates sold under ORC 5721.32 or 5721.33 are ineligible for delinquent tax payment contracts on balances owed to the County Treasury.²⁶ Property owners are encouraged to inquire with tax lien certificate holders about payment arrangements in those circumstances.

Additional Terms and Conditions.

The property owner and/or a designated representative (i.e. an attorney or someone legally authorized to act on the property owner's behalf) may initiate a delinquent tax payment contract with proper identification (i.e. a driver's license or state ID card, bar admission card, U.S. passport, letters of authority from Probate Court, power of attorney, etc.).

¹⁹ "Verified partners" include Cleveland Housing Network, Community Housing Solutions, ESOP, the Home Repair Resource Center and Neighborhood Housing Services of Greater Cleveland.

²⁰ "Carrying" means the delinquency runs with the property. If the purchaser owes delinquent taxes, no payment plan will be available on new properties until such time as the purchaser's existing delinquency is resolved.

²¹ An "arm's length transaction" is one in which two or more unrelated and unaffiliated parties agree to do business, acting independently and in their self-interest. See Legal Information Institute, "Arm's Length." Last updated May 2022. Last accessed December 22, 2023. www.law.cornell.edu/wex/arm%27s_length.

²² Such determinations will be made on a case-by-case basis and in view of all relevant facts, and will be final.

²³ ORC 323.31(A)(2).

²⁴ See the foreclosure section of this policy on p. 3-4.

²⁵ Find a nonprofit credit counseling service at www.nfcc.org or by calling 800-388-2227.

²⁶ ORC 323.31(7)(B).

Land contract purchasers or vendees may initiate a delinquent tax payment contract by providing a copy of the land contract, purchase agreement or recorded conveyance instrument along with proof of residency (i.e. a gas or electric bill in the vendee’s name) at the property address).²⁷

Where the record owner of the property is deceased, heirs claiming right of ownership must present probate documentation verifying their status before entering into a delinquent tax payment contract.

Optional Self-Pay Plan.

When a parcel is no longer eligible for a delinquent tax payment contract and paying the bill in full is not possible, taxpayers can make payments on a daily, weekly or monthly basis in an effort to pay the taxes in full.

These payments will not prevent a future tax lien sale or the commencement of a tax foreclosure, and interest charges will continue to accrue. Any self-payments do not prevent the property from being foreclosed upon and offered at a Sheriff’s sale.

Conclusion.

The Treasurer’s Office has an affirmative duty to pursue the collection of delinquent taxes – and an obligation to do so in a manner that respects the dignity of taxpayers and affords them the opportunity to retain possession of their property.

These policies are directed at that project – and questions regarding their implementation should be directed to the Treasurer’s Office by phone at 216-443-7400 Option 1 or email at treascomment@cuyahogacounty.us.

Adopted: February 22, 2024
Last Revised: ~~March 21, 2024~~ June 10, 2024

²⁷ ORC 323.31.

Cuyahoga County Treasurer's Office
*Processing Requests for the Remission of Real Property and
Manufactured Home Late-Payment Penalties Policy*



Cuyahoga County Treasurer's Office

Policy For Processing Requests for the Remission of Real Property and Manufactured Home Late-Payment Penalties ((Form DTE 23A))

Purpose.

This policy is intended to establish clear and equitable guidelines for the review of remissions of penalty applications, in accordance with ORCE 5715.39.

Provisions.

Upon receipt of an Application for the Remission of Real Property and Manufactured Home Late-Payment Penalties (Form DTE 23A), Treasurer's Office staff processing the application will note its receipt in the County's property management software. Staff will then print a payment history for the proceeding three years from MVP and attach that history to the Form DTE 23A, and review the application for a recommendation for approval or denial based on the criteria listed below (see "Evaluation Criteria").

Treasurer's Office staff will note the reason for recommending approval or denial of the application in the County's property management software. Where denial is initially recommended, staff will forward the application to the Treasurer for final review and make a note to the effect in County's the property management software.

The Treasurer will enter his or her determination into the County's property management software, and make any necessary changes to reflect that determination before forwarding the Form DTE 23A for further processing by other County agencies bearing responsibility for the review of such applications.

Evaluation Criteria.

The recommendation to grant or deny the penalty remission application must include consideration of all applicable statutory reasons listed on the Form DTE 23A:

- Penalty accrued because of the negligence or error of a county officer.
 - *NOTE: This would include the treasurer accepting a change of address from someone other than the property owner.*
- Taxpayer failed to receive a tax bill or a correct bill and made a good faith effort to obtain the bill within 30 days after the due date.
- Tax was not timely paid because of the serious injury, death or hospitalization of the taxpayer within 60 days preceding the due date, but was paid within 60 days after the due date.
- Taxpayer demonstrated that timely payment was mailed.
 - *NOTE: A private meter postmark is not valid for establishing date of payment.*
- Taxpayer has not made a late payment for any real property taxes owed by the taxpayer during the preceding three years.

If any of the above listed criteria are met, the corresponding box on the Form DTE 23A shall be marked, as will the "Grant" box, and the form will be forwarded for further processing by other

County agencies bearing responsibility for the review of such applications.

If the taxpayer has provided a reasonable explanation as to the reason late payment was made, and has not requested a remission of penalty within the preceding three years, those facts shall be noted in the "Treasurer's comments" field on Form DTE 23A along with the date of payment and the taxpayer's history of remission applications (if any). The form shall then be forwarded to the Treasurer for a final review and recommendation prior to submission for further processing by other County agencies bearing responsibility for the review of such applications.

Adopted XXXX XX, 2024
Last Revised July 7, 2024

County _____

Case no. _____

**File this form with the
county treasurer.**

DTE 23A
Rev. 10/17

Application for the Remission of Real Property and Manufactured Home Late-Payment Penalties (R.C. 5715.39)

Taxpayer Instructions: Complete the front of this form and file it with the county treasurer.

Attach a copy of all evidence to the form, complete the name and address blank and sign the form. If penalties have accrued for more than one late payment, a separate application must be filed for each penalty. Please send completed form to the county treasurer of the county in which the property is located. (The county treasurer may insert his or her name and address here or the taxpayer may obtain the address at ohiocountytreasurers.org.)

Date Received by Treasurer

Date Received by Auditor

Owner of property _____ Parcel or I.D.# of property _____

Property tax type: Real Manufactured home

Tax year _____ First half Second half

Amount of penalty \$ _____ 5% penalty 10% penalty

Date taxes were due _____ Date taxes and interest were paid _____ Date entered into a payment plan _____

Please check all the reasons the penalty should be remitted and explain below.

- Tax was not paid by due date because of negligence or error of the auditor or treasurer (explain below).
- Taxpayer did not receive a tax bill or a correct tax bill and attempted to obtain one on (date) _____
- Tax was not timely paid because of serious injury, death or hospitalization of the taxpayer (within 60 days preceding the due date), but was paid within 60 days after the due date. Taxpayer must submit proof of the above.
- Tax payment was mailed on or before due date (submit evidence of timely mailing). A private meter postmark on the envelope is not a valid postmark for establishing the payment date.
- Taxpayer did not receive a tax bill because the mortgage lender failed to notify the treasurer that the mortgage was satisfied and the bill was not sent to the taxpayer. The penalty waiver applies only to the first tax bill after satisfaction of the mortgage.
- Taxpayer's failure to make timely payment of the tax was due to reasonable cause and not willful neglect (explain below).

Taxpayer statement (use additional pages if necessary):

Print name and address below

Name

Address

City State ZIP

I declare under penalties of perjury that this report is true, correct and complete.

Taxpayer signature

Daytime phone number Date

E-mail address

County Treasurer Instructions

Review the form for completeness and verify the accuracy of the penalty amount and date that taxes were due and paid. **If the taxpayer has a late payment history, include the amount(s) and tax period(s) for the preceding three years.** Retain a copy of the application for your records. Forward the completed application with any attachments to the county auditor.

The county treasurer should check all that apply:

- Penalty accrued because of the negligence or error of a county officer (explain below). This would include the treasurer accepting a change of address from someone other than the property owner.
- Taxpayer failed to receive a tax bill or a correct bill and made a good faith effort to obtain the bill within 30 days after the due date.
Date of request _____
- Tax was not timely paid because of the serious injury, death or hospitalization of the taxpayer within 60 days preceding the due date, but was paid within 60 days after the due date.
Date of death or hospitalization _____ Date of payment _____
- Taxpayer demonstrated that timely payment was mailed. A private meter postmark is not valid for establishing the date of payment.
- Taxpayer has not made a late payment for any real property taxes owed by the taxpayer during the preceding three years.

Treasurer's comments (include late payment history for the preceding three years)

Recommendation: Grant Deny Signature of treasurer _____ Date _____

County Auditor Instructions

The auditor must consider each of the first five reasons on the form to remit the penalty even if the taxpayer has not checked the corresponding box. The auditor cannot use reasonable cause to remit a late payment penalty. If the auditor does not grant remission, the auditor must deliver the application to the Board of Revision for consideration. If the auditor grants remission, the auditor must notify the taxpayer of its decision by completing the section below and returning a copy of the form to the taxpayer.

Decision of the County Auditor

Before the county auditor, the remission is hereby: Date: _____

Granted Denied

A copy of this decision was mailed to the taxpayer on:

Signature of county auditor

Date

Board of Revision Instructions

If the auditor forwards the application to the Board of Revision, the board must review the request for remission to determine whether the late payment was due to the first five reasons on the form or reasonable cause and not the willful neglect of the taxpayer. **The board must notify the applicant and the property owner (if the applicant is not the owner) of its decision by completing the section below and returning a copy of the completed form to the taxpayer by certified mail.**

Decision of the Board of Revision

Before the Board of Revision, the remission is hereby: Date: _____

Granted Denied

A copy of this decision was mailed to the taxpayer on:

Signature of clerk of the Board of Revision

If the application is denied, state the reason for denial (use additional pages if necessary): Date

Instructions for Appeal to Board of Tax Appeals

The taxpayer has thirty (30) days from the mailing of the Board of Revision's decision to appeal to the Board of Tax Appeals. The requirements for a proper appeal to the Board of Tax Appeals are contained in R.C. 5717.01, which include filing through an online process. If the taxpayer does not follow all the mandatory requirements to appeal, the taxpayer may lose his right to appeal. DTE Form 4 has been prescribed for this purpose and an electronic copy may be found on the Board of Tax Appeal's website. You must also send the Board of Revision a copy of the notice of appeal. The mailing address of the Board of Tax Appeals is 30 East Broad Street, 24th Floor Columbus, Ohio 43215-3414. Its website is: bta.ohio.gov. Please contact the Board of Revision to determine the acceptable methods of notification of an appeal.

Cuyahoga County Treasurer's Office
Real Property Tax Suspension List Policy



Cuyahoga County Treasurer's Office
Policy for Administration of Real Property Tax Suspension List

Background.

The County Treasurer is responsible for three (3) primary services to the public:

- The collection of all cash received by the County;
- The investment of cash not used in daily operations; and
- The safeguarding of public assets.

A primary duty of the Treasurer is the role of tax collector. Taxpayers not paying their tax bills within the allowable time incur interest and penalty charges consistent with the Ohio Revised Code (ORC). Taxpayers still owing after the date of settlement have their name and parcel number placed on the delinquent tax list. This list, certified by the Treasurer to the Auditor, is published in a newspaper of general circulation in the County. All payments of delinquent taxes are coordinated through the Treasurer, with various options for taxpayers under financial duress.

When taxes are not paid in a timely manner, the Treasurer works with the County Prosecutor to collect through tax foreclosure and other proceedings such as tax lien certificate sales. Some of these delinquent parcels have identifiable characteristics that make them bad candidates for tax foreclosures or tax certificate sales. These parcels are bad candidates because there is likely no chance for a beneficial outcome such as collection through sheriff or fiscal officer sale or the transfer of the parcel to a land bank.

In the case of tax foreclosure, the cost of foreclosing on these bad candidates is almost always greater than any amount of delinquent taxes collected at a subsequent sheriff or fiscal officer sale. Although it may cause the removal of the delinquent taxes from the duplicate, foreclosure in these cases promotes bad outcomes such as costs exceeding collection or the perpetuation of the "tax foreclosure cycle" on problem properties.

Legal Authority.

Fortunately, ORC 323.33 provides treasurers with an alternative to foreclosure for these problem parcels by allowing the placement of certain delinquent parcels on the real property tax suspension list instead of on the general tax list and duplicate. The section reads as follows (emphasis added):

If a county treasurer determines, for a tract or lot of real property on the delinquent land list and duplicate on which no taxes have been paid for at least five years, that the delinquent amounts are most likely uncollectible except through foreclosure or through foreclosure and forfeiture, he may certify that determination together with his reasons for it to the county board of revision and the prosecuting attorney. If the board of revision and the prosecuting attorney determine that the delinquent amounts are most likely uncollectible except through foreclosure or through foreclosure and forfeiture, they shall certify that determination to the county auditor. Upon receipt of the determination, the county auditor shall place the tract or lot on the real property tax suspension list maintained under section 319.48 of the Revised Code.

Tax Suspension List Administration.

Therefore, as authorized by ORC 323.33 and as hereby adopted by this policy, the Treasurer will from time-to-time select delinquent parcels for inclusion on the real property tax suspension list. These parcels will be those that are determined uncollectable except by tax foreclosure, but that also possess characteristics that make them bad candidates for tax foreclosure.

By including these parcels on the real property tax suspension list, the uncollectable delinquent taxes will not be counted along with “collectable delinquent” taxes, which plays an important factor in the County’s bond rating.

Pursuant to ORC 323.33, to be placed on the real property tax suspension list, a delinquent parcel must meet both of the following criteria:

1. The parcel is on the delinquent land list; and
2. There have been no payments on the parcel for at least 5 years.

In addition to the required criteria above, it is the policy of the Treasurer that parcels possessing one or more of the following criteria will be considered for inclusion on the real property tax suspension list:

1. The parcel has been certified delinquent for at least 5 years;
2. The delinquent taxes owed on the parcel exceed the fiscal officer’s taxable value of the parcel;
3. The parcel is subject to US or Ohio EPA violations or consent orders;
4. The parcel is subject to encumbrances on title that run with the land such as recorded condominium or planned community declarations and bylaws, restrictive covenants, easements, etc. that negatively affect the parcels value or potential use;
5. The parcel has physical characteristics such as parcel size, accessibility, or condition of buildings and improvements that negatively affect the parcels value or potential use;
6. The cost of foreclosing on the parcel is greater than the amount of delinquent taxes able to be collected or is unable to be recovered in full;
7. No land bank or political subdivision has expressed interest in acquiring the parcel; and
8. The County’s Delinquent Tax Outreach Office has made no positive contact with the owner.

Upon determining that one or more parcels should be included on the real property tax suspension list, the Treasurer shall certify that determination along with the Treasurer’s reasons for it to the County Prosecutor and Board of Revision. If the County Prosecutor and Board of Revision agree with the Treasurer’s determination, they will certify the list to the Fiscal Officer. The Fiscal Officer will then place the parcels on the real property tax suspension list in accordance with ORC 319.48.

This review will take place not less than once each year, and may occur more frequently at the Treasurer’s discretion.

Taxes, penalties, and interest will continue to accrue on the parcels on the real property tax suspension list. However, all collection activities will be suspended upon placement on the suspension list. The tax bills for each parcel on the tax suspension list shall be for the current year taxes only and have the notice prescribed by ORC 323.131(A)(4).¹ The Fiscal Officer will separate

¹ ORC 323.131(A)(4) (4) For a tract or lot on the real property tax suspension list under section 319.48 of the Revised Code, the following notice: "Notice: The taxes shown due on this bill are for the current year

the delinquent tax amounts for the selected parcels from the current tax amounts and place these parcels on the real property tax suspension list. The split will be as follows:

1. The tax duplicate will display the current taxes due for each selected parcel; and
2. the tax suspension list will display the uncollectible delinquent amounts for each parcel.

If a parcel on the suspension list is foreclosed upon or if the owner of the parcel or another authorized taxpayer redeems the parcel by paying the balance of the delinquent taxes, penalties, and interest, then the Fiscal Officer shall remove the parcel from the real property tax suspension list.

*Adopted XXX, XX 2024
Last Revised June 10, 2024*

only. Delinquent taxes, penalties, and interest also are due on this property. Contact the county treasurer to learn the total amount due."