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# STATEHOUSE REPORT

Published by the County Commissioners Association of Ohio

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June 18, 2026

## Lank bank reform bill passes Senate

Last week, the Senate unanimously passed [Senate Bill 102](#) (Senator Tom Patton), a comprehensive tax foreclosure and land bank reform bill.

The bill uses the more formal name “county land reutilization corporations” but this article, for simplicity, will use the more common term “land bank.”

The bill, named the Gus Frangos Act after Gus Frangos, the founder of the Cuyahoga Land Bank and the architect of the modern structure of county land banks, is vast and involves numerous provisions of the Revised Code. Generally, most of the bill’s provisions aim to enable county land banks to return property to productive use in a more timely manner while also ensuring protections exist for land owners.

This article will only touch upon fiscal highlights to counties. An in-depth analysis of the bill, completed by the Legislative Service Commission, [is available here](#),

### Land Bank Tax Exemptions

The bill creates new tax exemptions for land banks. First, it creates two exemptions from sales and use taxes: one for building and construction materials and services sold to contractors for incorporation into a structure or improvement to real property under a contract with a land bank or a land bank subsidiary; and the other for sales to or by a land bank or a land bank subsidiary. The former is similar to an existing sales and use tax exemption that port authorities can grant.

Second, the bill provides a general exemption for land banks from all state and local taxes and assessments. This exemption applies to taxes that would be levied on projects funded by the land bank, revenues and/or property acquired and/or used by the land bank, and any resulting income.

Finally, the bill grants boards of county commissioners the authority to adopt a resolution exempting up to 50% of the property taxes owned on property conveyed to a land bank. The

amount would still need to be paid to the land bank, but in the form of a payment in lieu of taxes over a period of up to five years.

### **County Row Officer Administrative Duty Changes**

The bill tweaks administrative duties regarding delinquent land for certain county row officers.

Under current law, the county treasurer must retain and separately account for any money owed to former owners from the sale of foreclosed property for three years before the money can be transferred to the land bank or the delinquent tax and assessment (DTAC) funds. This bill shortens the length from three years to two years, generally allowing those funds to be accessed and reutilized faster.

The bill allows county prosecutors to hire outside counsel to initiate title searches of property subject to foreclosure. Though this authority may enable the county prosecutor to operate more efficiently, the bill does not specify oversight authority of the county commissioners over these outside counsel hiring decisions.

The bill eliminates the requirement that county auditors compile a delinquent vacant land tax list in addition to the delinquent land list and the delinquent tax list. Eliminating this duplicative responsibility may marginally reduce county auditor costs.

### **DTAC Fund Changes**

The bill's changes to delinquent taxes generally reduce the flow of delinquencies to political subdivisions and taxing entities in proportion of their claims to the delinquent taxes, in favor of directing a greater portion of these delinquent taxes county land banks and DTAC funds.

The bill modifies the amount of foreclosure sale proceeds directed to DTAC funds from 20% to the county treasurer's DTAC to 10% to both the county treasurer's DTAC and the county prosecutor's DTAC, with an additional 10% flowing to the county land bank, if there is one.

Similarly, an additional 10% of the revenue from taxes and assessments charged in accordance with the Forfeited Land Law must be dedicated to the county land bank, if one exists.

### **Other Notes**

In May 2025, the House passed [House Bill 86](#) (Representative Steve Demetriou), a bill with only superficial differences. HB 86 has received two hearings in the Senate Judiciary Committee.

The Ohio Land Bank Association and the County Treasurers Association support both bills. CCAO does not have a position on either bill.

## **House passes law revising home sewage treatment systems**

Last week, the House passed [House Bill 692](#) (Representatives Justin Pizzuli and Marilyn John) by a vote of 95-2. The bill makes several changes to the law governing home sewage treatment systems.

First, the bill eliminates the requirement that board of health conducts an initial inspection of a Sewage Treatment System (STS). Instead, the bill requires the board of health to conduct an educational assessment with the owner of the system within one year after the STS' installation.

Under current law, boards of health are required to develop a maintenance program for STSs. HB 692 makes this requirement permissive instead of mandatory. If a property owner provides proof of the required maintenance, the board of health may conduct a compliance inspection of maintenance and can permissively require payment of an operation permit fee.

The bill also makes several changes to soil evaluation requirements. The bill prohibits boards of health from requiring a soil evaluation for a replacement area or a newly created lot, unless, for a newly created lot, there are limitations at the location that may prevent an STS from being installed on that lot.

A board of health can require a soil evaluation if an STS is proposed to be installed in a disturbed area. If a soil evaluation is not conducted, a board of health may provide a notification statement to the property owner informing them of the lack of a soil evaluation.

Developers or property owners of a newly created lot are required, in certain circumstances, to notify potential purchasers that a soil evaluation was not conducted and that soil conditions may limit or prevent the installation of an STS.

Finally, the bill states the Ohio Department of Health must provide annual soil evaluation training for local health departments.

During the House committee process, the Association of Ohio Health Commissioners testified as a proponent to the bill. CCAO does not have a position on HB 692.

If you have questions regarding HB 692, please contact [Policy Analyst Kenton Dresbach](#).

## **Governor DeWine signs capital budget**

This week, Governor Mike DeWine signed [Senate Bill 450](#), the state capital budget, into law. Since the bill included an emergency clause, it took effect immediately upon the Governor's signature.

One of the largest new items in this term's capital budget is \$346.5 million for mental health facilities, including a new facility in Montgomery County called the Miami Valley Behavioral Healthcare Hospital. While jail projects did not receive dedicated funding, this hospital may ease some cost pressures on county jails if it enables inmates to receive medical treatment there instead of in the jail.

As is tradition for the capital budget, it includes money for a host of [local community projects](#). This term, community projects totaled \$208.3 million. A review identified 59 county projects that received funding, including two small jail projects. These 59 projects total \$13.9 million and are predominantly county fairground projects.

## **REMINDER: CY 2025 Budget Survey**

CCAO and the County Auditors Association are conducting a brief survey to gather accurate information regarding the CY 2025 top-line budget figures for Ohio's counties.

We encourage boards of commissioners staff work with the county auditor's office to ensure that information provided is as accurate as possible. This survey data will be critical in communicating county fiscal conditions to lawmakers and advancing county priorities.

### **[Take the Survey Here](#)**

If you are unsure if your county has provided a response to the survey, [please refer to this tracker](#). The tracker will be updated daily at 5pm.

Please provide a response to the survey by June 23.

If you have questions about the survey, please contact [Research Analyst Nick Ciolli](#).

## **Legislative Activity**

### **Introduction of Bills**

The following bill(s) that may be of interest to counties were introduced this week:

- [House Bill 965](#) (Representative Levi Dean): To prohibit requiring public employees to pay dues or fees to an employee organization.