



H.B. 402

126th General Assembly
(As Introduced)

Reps. Trakas, J. McGregor, Wagoner

BILL SUMMARY

- Establishes the compensation of legal counsel employed by a board of county commissioners to collect delinquent taxes assessed against personal property, manufactured or mobile homes, or intangible property on the classified tax list.
- Authorizes the imposition of a delinquent tax collection fee if a board of county commissioners employs legal counsel to collect delinquent taxes assessed against personal property, manufactured or mobile homes, or intangible property on the classified tax list.
- Creates a delinquent tax collection fee fund to be used for the deposit of any delinquent tax collection fees collected and to pay the compensation of legal counsel employed by a board of county commissioners to collect delinquent taxes assessed against personal property, manufactured or mobile homes, or intangible property on the classified tax list.

CONTENT AND OPERATION

Compensation of legal counsel retained by a county to collect certain delinquent taxes

Under existing law, a court of common pleas, upon the application of a prosecuting attorney and the board of county commissioners, may authorize the board to employ legal counsel to assist the prosecuting attorney, the board, or any other county officer in any matter of public business coming before the board or officer, and in the prosecution or defense of any action or proceeding in which the board or officer is a party or has an interest in its or the officer's official capacity. The bill establishes the compensation of legal counsel employed under this authority for the purpose of assisting the county treasurer and the prosecuting attorney in the collection of delinquent taxes assessed against personal property,

manufactured or mobile homes, or intangible property on the classified tax list. The compensation is 20% of the taxes, assessments, penalties, and interest the legal counsel collects. Except when the county has established a collection fee under R.C. 321.262 (see "*Delinquent tax collection fee*," below), the compensation must be paid out of the county treasury. The county auditor must charge the cost proportionally among all political subdivisions entitled to share in the distribution of the collected taxes before distributing the remainder of the collected taxes to those political subdivisions. (R.C. 305.14(A).)

Delinquent tax collection fee

Under the bill, if a board of county commissioners employs legal counsel to collect delinquent taxes as described above, the board may impose, as an additional penalty, a collection fee equal to 20% of the taxes, assessments, penalties, and interest owed. The collection fee applies to all of the applicable taxes that are delinquent before the fee is imposed and that remain delinquent 30 days after the fee is imposed. The collection fee also applies to any of the applicable taxes that become delinquent after the board imposes the fee, but it does not attach to those delinquent taxes until December 1 of the year in which the applicable taxes are imposed or 30 days after the board imposes the fee, whichever is later. The collection fee is secured by a tax lien against the delinquent property. (R.C. 321.262(A).)

The bill requires any county that establishes the delinquent tax collection fee described above to create a delinquent tax collection fee fund in the county treasury. The county treasurer must deposit collection fees into the fund. The money in the fund must be used solely for paying the compensation of legal counsel employed to collect delinquent taxes. The county treasurer must pay the legal counsel's compensation from this fund in the manner and at the times provided in the contract with the legal counsel. (R.C. 321.262(B).)

HISTORY

ACTION	DATE
Introduced	11-01-05

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