



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** [H.B. 586 of the 130th G.A.](#)

**Date:** December 2, 2014

**Status:** As Introduced

**Sponsor:** Reps. Stautberg and Ruhl

**Local Impact Statement Procedure Required:** No

**Contents:** Permits private foreclosure sales

### State Fiscal Highlights

- The Attorney General may incur minimal annual operating expenses to receive and process judicial sales information, including maintaining a publicly available database containing certain reported information.

### Local Fiscal Highlights

- It is expected that courts of common pleas generally will be able to incorporate the bill's private selling officer procedures into their daily operations without requiring any additional staff.
- There may be a net savings effect for county sheriffs resulting from the potential loss of a relatively small amount of revenue that is likely to be more than offset by a workload reduction for real estate staff.

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## Detailed Fiscal Analysis

The bill permits a mortgage holder to elect to use a private selling officer (PSO) to carry out a mortgage foreclosure sale and establishes procedures for such a sale. These include filing with the clerk of court a request for the issuance of an order of sale to the PSO. The PSO is also required to file with the court an itemized report of all the expenses of the sale. It appears that courts of common pleas generally have sufficient resources, including staffing levels, to incorporate the bill's PSO procedures into their daily operations.

Currently, foreclosure sales are executed by a county sheriff under orders from the court of common pleas. If a mortgage holder elects to use a private selling agent, the sheriff may experience a savings effect from the reduced workload, as presumably it involves properties that would otherwise have been part of the sheriff's ongoing real estate sales operation. The sheriff would also lose a relatively small amount of revenue collected as part of their role in the real estate sales process. The net effect of the reduced workload and revenue loss is likely to be an annual savings.

The bill requires: (1) PSOs to submit certain residential sale information to the Attorney General quarterly, and (2) the Attorney General to establish and maintain a publicly available database containing the reported information. The costs for the Attorney General to allocate sufficient staffing to manage the reported information and related database will be no more than minimal, which means less than \$100,000 in personal services and information technology costs.