

# Get Jacked Up! County Land Banks are LEGIT

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# Discussion Agenda

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- Refresher: Powers of county land banks
  - The obvious stuff...
  - ... and the *kinda-sorta not-so-well-known* stuff
- What gets me excited about county land banks?
- Where are county land banks going in the next few years?

# BORING!

## Economic Development Corporation-type CICs:

- Formed under R.C. Chapter 1724
- Deployed heavily during 1960's, 1970's & 1980's
- Common reason for existence: industrial park development
- Lame-O!



# BORING! – *cont.*



## Economic Development Corporation-type CIC Powers:

- Acquire and sell property (real & personal)
- Borrow money
  - Issue federally taxable debt
- Operate RLFs
- Administer grants
- Charge fees-for-services
- “All acts and things necessary or convenient” to carry out purposes of R.C. Chapter 1724

## BORING! – *cont.*

### Economic Development

#### Corporation-type CIC Powers:

- Sell, lease, or receive political subdivision's excess property
  - No need to complying w/ public sale requirements
  - ... but political subdivision sets pricing & other terms
  - ... but limited to certain end uses (industrial, commercial, distribution, research)

*(R.C. 1724.10(B)(2) & (3))*



# GET JACKED UP!



## Ohio Senate Bill 353 (2009):

- *County Land Reutilization Corporation-*  
type CICs
  - R.C. Chapter 1724 + R.C. Chapter 5722

# GET JACKED UP! – *cont.*

## County Land Banks can:

- Receive statutorily dedicated **tax revenue**
  - Up to 5% direct allocation from County Delinquent Tax and Assessment Collection (DTAC) funds
- Select property for **no-bid acquisition** from counties' delinquent & forfeited land lists  
(*R.C. 5722.04 & R.C. 5723.04*)
  - Title completely cleansed of all blemishes
    - But for federal tax liens (*R.C. 5723.12(B)*)
- **Keep sale proceeds** from property sold on the open market (*R.C. 5722.08*)
- Take donations of land in lieu of tax foreclosures (*R.C. 5722.08*)

# GET JACKED UP! – *cont.*

## County Land Banks can (*cont.*):

- Hold property in **tax-exempt** status
  - By operation of law
  - No application required to qualify for exempt status
- Transfer the properties to adjoining property owners (“side-lot programs”)
- Convert property to **public uses** & transfer property to **non-profits**
  - Parks, playgrounds, urban agriculture or community gardening & beautification projects
- Exercise **sovereign immunity** from civil lawsuits (R.C. 2744.02)
- Transfer property to private sector for-profit entities for productive re-use

# What gets me excited about county land banks?



- Ohio's relative insulation from fall-out of *Tyler v. Hennepin County* decision
  - Related: Win-loss record of Marc Dann in US Bank series of cases
  - Related: Opportunity to re-commence direct transfers of underwater properties
- Prevailing wage law exemptions
  - R.C. 4115.04(B)(5) – affordable housing development (<6 units, <25 units, LIHTC)
  - Individual contracts-as-each-their-own-project under R.C. 4115.033
    - <\$75,000 (renovation)
    - <\$250,000 (new construction)
- Real property tax exemptions
  - Two layers: R.C. 5722.11 & R.C. 5709.12(F)

# Where are county land banks going?

- *Post-Hardest Hit Fund* activities
- Watch HB 375's journey during 135<sup>th</sup> G.A.'s lame duck session:
  - Omnibus reform and clarification package
    - Changes to
      - Tax foreclosure statutes (R.C. Chapter 323)
      - Land bank statutes (R.C. Chapter 5722)
  - Statutory carve-outs for prevailing wage & sales-and-use tax exemptions?
- “Don’t say nothing to nobody”: Real property tax exemptions
- Refined approaches to tax forfeitures of abandoned lands – exposure to public sales
- County land banks facilitating economic development transactions
  - Compare / contrast: port authorities

**Questions?**

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