

As Introduced

**128th General Assembly
Regular Session
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S. B. No. 13

Senator Miller, D.

Cosponsors: Senators Morano, Turner, Smith

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A B I L L

To enact sections 121.086, 2703.10, 5321.20, 5321.21, 1
5321.22, and 5321.23 of the Revised Code to 2
require a clerk of courts to notify tenants when a 3
foreclosure action is filed, to require the 4
Director of Commerce to prepare a publication to 5
assist owners and tenants of foreclosed 6
properties, to require clerks of courts to 7
distribute that publication, to require landlords 8
to notify tenants when a property is foreclosed 9
and when a sale is scheduled, to enable tenants to 10
terminate a rental agreement on a foreclosed 11
property, to provide for continuance of a rental 12
agreement after a foreclosure sale, and to provide 13
civil remedies for a tenant whose landlord 14
violates the bill's provisions. 15

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 121.086, 2703.10, 5321.20, 5321.21, 16
5321.22, and 5321.23 of the Revised Code be enacted to read as 17
follows: 18

Sec. 121.086. The director of commerce shall prepare a 19
publication for distribution to owners and tenants of residential 20

properties that are the subject of foreclosure actions. The 21
publication shall include a list of available resources to assist 22
owners of residential properties to retain their property and to 23
assist tenants in obtaining assistance if relocation is necessary. 24
The director shall make the publication available to clerks of 25
courts in this state for distribution to owners and tenants of 26
residential properties that are undergoing foreclosure. 27

Sec. 2703.10. (A) When a holder of a mortgage files a 28
complaint to initiate a foreclosure action on a residential 29
property, along with the summons that is served on the owner of 30
the property, the clerk of courts shall provide a copy of the 31
publication on foreclosure the director of commerce prepares 32
pursuant to section 121.086 of the Revised Code. 33

(B)(1) Within seven days after issuing a summons for service 34
on the property owner in a foreclosure action described in 35
division (A) of this section, the clerk of courts shall send 36
written notice of the foreclosure action by ordinary mail to the 37
attention of the residents at the address of the property. The 38
notice shall include the following statement: 39

"The holder of a mortgage has filed a complaint with this 40
court to initiate a foreclosure action against the property at 41
this address For more information, you should 42
contact the clerk of this court at (phone number). 43
A sale at auction could occur as a result of this foreclosure." 44

(2) The clerk shall enclose with the notice of foreclosure a 45
copy of the publication on foreclosure the director of commerce 46
prepares pursuant to section 121.086 of the Revised Code. 47

Sec. 5321.20. (A) A landlord who is the owner of a property 48
that is the subject of a foreclosure action shall do all of the 49
following: 50

(1) Within thirty days after receiving a summons that 51
contains a notice of foreclosure, provide written notice of that 52
foreclosure to any tenant of the property; 53

(2) Include a notice of the foreclosure in any written rental 54
agreement the landlord enters into after receiving the summons 55
with a notice of the foreclosure action; 56

(3) Provide a written notice of foreclosure to a tenant at 57
the time of any oral rental agreement the landlord enters into 58
after the landlord has received a summons with a notice of 59
foreclosure; 60

(4) Provide each tenant at the property with written notice 61
of the date, time, and place of the scheduled sale of the 62
foreclosed property at least twenty-one days before the date of 63
the sale at auction. 64

(B) Any written notice the landlord provides pursuant to this 65
section shall include a statement in substantially the following 66
form: 67

"This property is undergoing foreclosure. For more 68
information on this action, you should contact the(your 69
county) Clerk of Courts for the Court of Common Pleas, 70
.....(address), at(phone number). 71

A sale at auction could occur as a result of this 72
foreclosure. Currently, [the sale of this property has been set 73
for(time, date, and place)] or [no date for sale of 74
this property has been established]. Ohio law requires that I 75
provide you with written notice of the sale at least twenty-one 76
days before it takes place. 77

If there is a sale of this property at auction, your current 78
rental agreement will convert to a month-to-month rental agreement 79
upon the sale of the property. 80

Note: With a month-to-month rental agreement, either the tenant or the landlord may terminate the agreement by providing written notice of termination to the other at least thirty days prior to a date on which the rent payment normally is due. The rental agreement then terminates on that rent payment date."

Sec. 5321.21. (A) Any tenant of a residential property that is the subject of a foreclosure action brought by a mortgage holder may terminate that tenancy at any time after the holder of the mortgage files a complaint with a court to initiate the foreclosure action. To terminate the tenancy, the tenant shall provide written notice of termination to the landlord at the place where rent normally is paid. The notice shall state the date upon which the tenancy will terminate, which shall not be earlier than thirty days following the next date on which rent is due. The tenant is responsible for all rent until the termination date.

(B) A landlord shall return any deposit to a tenant who terminates a rental agreement pursuant to this section in the same manner as this chapter provides for tenancies that end pursuant to the terms of the rental agreement. A tenant who terminates a rental agreement pursuant to this section has all the rights of a tenant whose rental agreement expires pursuant to its own terms.

Sec. 5321.22. Any rental agreement for a residential property that is the subject of a foreclosure action shall convert to a month-to-month rental agreement upon a court's approval of a sale at auction pursuant to section 2329.31 of the Revised Code.

Sec. 5321.23. In addition to any other remedy under law, a tenant may recover the greater of actual damages or one month's rent plus the security deposit amount and reasonable attorney's fees, obtain injunctive relief to enforce the rental agreement, or both, if a landlord or a successor in interest violates section

<u>5321.20 of the Revised Code, fails to provide a written notice</u>	111
<u>that section 5321.20 of the Revised Code requires, or fails to</u>	112
<u>honor a rental agreement established under section 5321.22 of the</u>	113
<u>Revised Code.</u>	114