

County Land Banks: Frequently Asked Questions

What is a County Land Bank?

"County land bank" is the informal name for a land reutilization corporation established under sections 1724 and 5722 of the Ohio Revised Code. County land banks are quasi-governmental organizations with the public purpose of reclaiming, rehabilitating and reutilizing economically non-productive land.

What does a County Land Bank do?

County land banks allow communities to recover from the foreclosure crisis. County land banks facilitate the return of vacant, abandoned and tax-foreclosed properties to productive economic use. County land banks take ownership of properties and clear title, assemble parcels for development, and manage properties until redevelopment can begin. This process may take months or, more likely, years.

How does a County Land Bank acquire property?

County land banks acquire property in a number of ways. The expedited tax foreclosure process allows the direct transfer of tax-foreclosed properties to county land banks. Lending institutions (including Fannie Mae) transfer low-value properties to the county land bank, sometimes providing funds for demolition. The Department of Housing and Urban Affairs transfers low-value properties to county land banks. Private individuals and probate estates no longer wanting the burden of owning worthless properties transfer land to the county land bank.

How is a County Land Bank established?

A county land bank is established by a two-part process: the board of county commissioners passes a resolution authorizing the formation of a land bank, then the county treasurer files articles of incorporation with the Ohio Secretary of State. After incorporation, county commissioners approve the corporation's operating documents. After this approval, the county land bank board of directors operates the county land bank.

Who controls a County Land Bank?

County land banks are not part of county government. Instead, county land banks are independent corporations governed by a board of directors comprised of county, municipal and township leaders. The board of directors of a county land bank, per statute, must include at least two county commissioners and the county treasurer (or their equivalents under county charters), a representative of the largest municipality in the county, and a township representative. Up to four additional members can be included on the county land bank board.

How is a County Land Bank funded?

The county commissioners can elect to increase the county's delinquent tax and assessment collection (DTAC) fund to provide county land banks with operating income. The county treasurer may make special advances of late payments of first half taxes and/or newly delinquent taxes with the associated penalties and interest allocated to the land bank. The county can authorize the use of tax delinquency anticipation notes (DTANS) to fund the county land bank. Additionally, the county land bank can borrow money, receive money through land sales, and obtain funds as a state or federal grant applicant or co-applicant.

Which Ohio counties currently have County Land Banks?

Cuyahoga, Lucas, Montgomery, Mahoning and Trumbull counties have established county land banks. Commissioners in Franklin, Lorain, Stark and Summit have approved resolutions authorizing the formation of land banks. At this moment, Erie and Hamilton Counties are weeks away from their respective land banks becoming operational. Butler County is also considering establishing its own land bank. Here in Lake County, the Commissioners and the Treasurer have both had discussions regarding the establishment of Lake County's own land bank. In addition, the Lake County Mayors and Managers Association has been approached by Mr. Jim Rokakis of the Western Reserve Land Conservancy with a recent presentation regarding establishing a land bank in Lake County and how it might have a positive impact on our communities.

What are the benefits of county land banking?

County land banking helps communities stabilize the property tax base. County land banking greatly reduces "flipping" of low value properties and the economic and social damage caused by the repeated transfers of the same low value properties. County land banking allows communities to stabilize their housing base by eliminating blight and removing uninhabitable or functionally obsolete housing from the marketplace. County land banking allows for the orderly redevelopment of communities. In short, county land banking allows communities an additional tool towards recovery from the foreclosure crisis.

In Lucas County during the last year alone, over 270 properties have been acquired and transferred to new owners!