



Ohio Revised Code

Section 2329.192 State lienholder as party defendant in judicial sale; proceeds of sale.

Effective: September 29, 2013

Legislation: House Bill 59 - 130th General Assembly

(A) As used in this section:

(1) "State lien" means a lien upon real estate, including lands and tenements, of persons indebted to the state for debt, taxes, or in any other manner recorded by a state agency in any office of the clerk of a county court or the county recorder.

(2) "State lienholder" means the department, agency, or other division of the state in whose name a state lien has been filed or recorded.

(B) In every action seeking the judicial sale of real estate that is subject to a state lien, all of the following apply:

(1) The party seeking a judicial sale shall include the state lienholder as a party defendant and shall serve that state lienholder with a copy of the preliminary judicial report or commitment for an owner's fee policy of title insurance filed in accordance with section 2329.191 of the Revised Code.

(2) A state lienholder shall not be made a party defendant if no state lien has been recorded against the owner of the real estate for which the judicial sale is sought.

(3) The appearance of the state lienholder shall be presumed for purposes of jurisdiction, and the court shall take judicial notice that the state has a lien against the real estate.

(4) A state lienholder may, but is not required to, file an answer to the complaint or any other pleading in the action if the amount, validity, or priority of the state lien is not identified in the pleadings as disputed and shall file an answer to the complaint or any other pleading in the action if the amount, validity, or priority of the state lien is identified in the pleadings as disputed. If a state lien is not identified as disputed, unless the state files an answer or other responsive pleading, the



party seeking the judicial sale is not required to serve the state lienholder with any answer or subsequent pleadings in the action for judicial sale.

(5) As part of any order confirming the sale of the real estate that is subject to any undisputed state lien or distributing the proceeds of any judicial sale of real estate, the undisputed state lien shall be protected as if the state had appeared in the action and filed an answer asserting the validity of the state lien as recorded in the office of the clerk of the county court or the office of the county recorder.

(6) Any party asserting a dispute as to the amount, validity, or priority of the state lien or of any lien or other interest that has priority over the state lien shall serve the state lienholder and the attorney general with notice of the dispute, and the state lienholder shall be permitted to file a responsive pleading and participate in the proceedings as if the state lienholder had been served with a summons on the date the state lienholder received notice of the dispute.

(C) Upon the judicial sale of the real estate that is the subject of an action under division (B) of this section, the interest of any undisputed state lien shall transfer to the proceeds of the sale of the real estate, and the state lienholder shall be entitled to payment from the proceeds of the sale of the real estate in accordance with the state lienholder's priority as set forth in the final judicial report or commitment for an owner's fee policy of title insurance filed in accordance with section 2329.191 of the Revised Code.