

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7181
BILL NUMBER: SB 236

NOTE PREPARED: Mar 18, 2021
BILL AMENDED: Mar 18, 2021

SUBJECT: Land Banks.

FIRST AUTHOR: Sen. Lanane
FIRST SPONSOR: Rep. Errington

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) The bill provides that a county fiscal body may adopt an ordinance requiring that, for the five years after a tract is purchased from a land bank, 50% of the amount of property taxes paid on the tract must be transferred to the land bank. It requires a county executive to provide a land bank in the county with a list of tracts located in the territory of the land bank that:

- (1) are delinquent on property taxes; and
- (2) have been offered for public sale at least two times and remain unsold;

on an annual basis, and permits the county executive to transfer its interest in a tract on the list to a land bank if requested by the land bank not later than 30 days after it receives the list.

Effective Date: July 1, 2021.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) The bill could increase workload for county executives to annually provide to a land bank in the county a list of tracts located in the territory of the land bank that are delinquent on property taxes and that have been offered for public sale at least twice and remain unsold, as well as to transfer their interest in a tract on the list to a land bank, if they choose to do so and if requested by the land bank within 30 days of receiving the list.

Explanation of Local Revenues: (Revised) Land banks may obtain more property if they request the county executive to transfer its interest in a tract, within 30 days of receiving the list of tracts that have been offered

twice for public sale and remain unsold. Local units would relinquish rights to delinquent property taxes from the public sale of properties if they choose to transfer their interest in a tract to a land bank. However, if a land bank is able to restore a tract and sell or lease it, property taxes may be obtained earlier than may have been if the county had maintained interest in the tract.

Property tax revenues could decrease for local units and increase for land banks, as the bill provides that for five years after a tract is purchased from a land bank, 50% of the amount of property taxes paid on the tract may be transferred to the land bank, if a county fiscal body adopts an ordinance.

Additional Information: A tract owned by a land bank is exempt from property taxes until the final day of the first uninterrupted 48-month period for which the land bank has leased or offered to lease all or part of the parcel to a tenant.

State Agencies Affected:

Local Agencies Affected: County executives, land banks.

Information Sources:

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