

HOUSE BILL No. 1629

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1.

Synopsis: Various property tax matters. Requires an exchange of evidence between a property taxpayer and an assessing official before a preliminary informal meeting and before any county property tax assessment board of appeals (PTABOA) hearing. Provides that costs directly attributable to the sale of a property tax certificate of sale include all costs of all county offices and not only the costs of the county executive. Allows an immediate family member to be a tax representative for a property owner at a PTABOA hearing. Provides that, when a local unit obtains real property from a person on which taxes are owed, the lien for the taxes shall be released (the taxes are canceled under current law) and for such a property requires the cancellation of the personal liability of the grantor for taxes owed if the assessed value of the property is less than the amount of the taxes owed on the property. Permits the department of local government finance under certain circumstances to cancel property taxes imposed on: (1) a nonprofit corporation organized for educational, literary, scientific, religious, or charitable purposes; or (2) any other entity organized as a church or religious entity.

Effective: July 1, 2017.

Smith V

January 24, 2017, read first time and referred to Committee on Ways and Means.



First Regular Session of the 120th General Assembly (2017)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2016 Regular Session of the General Assembly.

HOUSE BILL No. 1629

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-15-1, AS AMENDED BY P.L.149-2016,
2 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2017]: Sec. 1. (a) Except as provided in section 1.5 of this
4 chapter, a taxpayer may obtain a review by the county board of a
5 county or township official's action with respect to any of the following,
6 or any combination of the following:
7 (1) The assessment of the taxpayer's tangible property.
8 (2) A deduction for which a review under this section is
9 authorized by any of the following:
10 (A) IC 6-1.1-12-25.5.
11 (B) IC 6-1.1-12-28.5.
12 (C) IC 6-1.1-12-35.5.
13 (D) IC 6-1.1-12.1-5.
14 (E) IC 6-1.1-12.1-5.3.
15 (F) IC 6-1.1-12.1-5.4.
16 (3) A determination concerning a common area under
17 IC 6-1.1-10-37.5.



1 (b) At the time that notice of an action referred to in subsection (a)
2 is given to the taxpayer, the taxpayer shall also be informed in writing
3 of:

4 (1) the opportunity for a review under this section, including a
5 preliminary informal meeting under subsection (h)(2) with the
6 county or township official referred to in this subsection; and

7 (2) the procedures the taxpayer must follow in order to obtain a
8 review under this section.

9 (c) In order to obtain a review of an assessment or deduction
10 effective for the assessment date to which the notice referred to in
11 subsection (b) applies, the taxpayer must file a notice in writing with
12 the county or township official referred to in subsection (a) not later
13 than forty-five (45) days after the date of the notice referred to in
14 subsection (b).

15 (d) A taxpayer may obtain a review by the county board of the
16 assessment of the taxpayer's tangible property effective for an
17 assessment date for which a notice of assessment is not given as
18 described in subsection (b). To obtain the review, the taxpayer must file
19 a notice in writing with the township assessor, or the county assessor
20 if the township is not served by a township assessor. The right of a
21 taxpayer to obtain a review under this subsection for an assessment
22 date for which a notice of assessment is not given does not relieve an
23 assessing official of the duty to provide the taxpayer with the notice of
24 assessment as otherwise required by this article. The notice to obtain
25 a review must be filed not later than the later of:

26 (1) May 10 of the year; or

27 (2) forty-five (45) days after the date of the tax statement mailed
28 by the county treasurer, regardless of whether the assessing
29 official changes the taxpayer's assessment.

30 (e) A change in an assessment made as a result of a notice for
31 review filed by a taxpayer under subsection (d) after the time
32 prescribed in subsection (d) becomes effective for the next assessment
33 date. A change in an assessment made as a result of a notice for review
34 filed by a taxpayer under subsection (c) or (d) remains in effect from
35 the assessment date for which the change is made until the next
36 assessment date for which the assessment is changed under this article.

37 (f) The written notice filed by a taxpayer under subsection (c) or (d)
38 must include the following information:

39 (1) The name of the taxpayer.

40 (2) The address and parcel or key number of the property.

41 (3) The address and telephone number of the taxpayer.

42 (g) The filing of a notice under subsection (c) or (d):



- 1 (1) initiates a review under this section; and
 2 (2) constitutes a request by the taxpayer for a preliminary
 3 informal meeting with the official referred to in subsection (a).
 4 (h) A county or township official who receives a notice for review
 5 filed by a taxpayer under subsection (c) or (d) shall:
 6 (1) immediately forward the notice to the county board; and
 7 (2) attempt to hold a preliminary informal meeting with the
 8 taxpayer to resolve as many issues as possible by:
 9 (A) discussing the specifics of the taxpayer's assessment or
 10 deduction;
 11 (B) reviewing the taxpayer's property record card;
 12 (C) explaining to the taxpayer how the assessment or
 13 deduction was determined;
 14 (D) providing to the taxpayer information about the statutes,
 15 rules, and guidelines that govern the determination of the
 16 assessment or deduction;
 17 (E) noting and considering objections of the taxpayer;
 18 (F) considering all errors alleged by the taxpayer; ~~and~~
 19 (G) otherwise educating the taxpayer about:
 20 (i) the taxpayer's assessment or deduction;
 21 (ii) the assessment or deduction process; and
 22 (iii) the assessment or deduction appeal process; **and**
 23 **(H) causing an exchange before the preliminary informal**
 24 **meeting between the parties of all the information**
 25 **available upon which the taxpayer and the county or**
 26 **township official base their assessment position.**
 27 (i) Not later than ten (10) days after the informal preliminary
 28 meeting, the official referred to in subsection (a) shall forward to the
 29 county auditor and the county board the results of the conference on a
 30 form prescribed by the department of local government finance that
 31 must be completed and signed by the taxpayer and the official. The
 32 official referred to in subsection (a) must attest on the form that the
 33 official described to the taxpayer the taxpayer's right to a review of the
 34 issues by the county board under this chapter and the taxpayer's right
 35 to appeal to the Indiana board of tax review and to the Indiana tax
 36 court. The form must indicate the following:
 37 (1) Notwithstanding section 2.5 of this chapter, if the taxpayer
 38 and the official agree on the resolution of all assessment or
 39 deduction issues in the review, a statement of:
 40 (A) those issues; and
 41 (B) the assessed value of the tangible property or the amount
 42 of the deduction that results from the resolution of those issues



- 1 in the manner agreed to by the taxpayer and the official.
- 2 (2) If the taxpayer and the official do not agree on the resolution
- 3 of all assessment or deduction issues in the review:
- 4 (A) a statement of those issues; and
- 5 (B) the identification of:
- 6 (i) the issues on which the taxpayer and the official agree;
- 7 and
- 8 (ii) the issues on which the taxpayer and the official
- 9 disagree.
- 10 (j) If the county board receives a form referred to in subsection
- 11 (i)(1) before the hearing scheduled under subsection (k):
- 12 (1) the county board shall cancel the hearing;
- 13 (2) the county official referred to in subsection (a) shall give
- 14 notice to the taxpayer, the county board, the county assessor, and
- 15 the county auditor of the assessment or deduction in the amount
- 16 referred to in subsection (i)(1)(B); and
- 17 (3) if the matter in issue is the assessment of tangible property,
- 18 the county board may reserve the right to change the assessment
- 19 under IC 6-1.1-13.
- 20 (k) If:
- 21 (1) subsection (i)(2) applies; or
- 22 (2) the county board does not receive a form referred to in
- 23 subsection (i) not later than one hundred twenty (120) days after
- 24 the date of the notice for review filed by the taxpayer under
- 25 subsection (c) or (d);
- 26 the county board shall hold a hearing on a review under this subsection
- 27 not later than one hundred eighty (180) days after the date of that
- 28 notice. The county board shall, by mail, give at least thirty (30) days
- 29 notice of the date, time, and place fixed for the hearing to the taxpayer,
- 30 the taxpayer's representative (if any), and the county or township
- 31 official with whom the taxpayer filed the notice for review. The
- 32 taxpayer and the county or township official with whom the taxpayer
- 33 filed the notice for review are parties to the proceeding before the
- 34 county board. A taxpayer may request a continuance of the hearing by
- 35 filing, at least twenty (20) days before the hearing date, a request for
- 36 continuance with the board and the county or township official with
- 37 evidence supporting a just cause for the continuance. The board shall,
- 38 not later than ten (10) days after the date the request for a continuance
- 39 is filed, either find that the taxpayer has demonstrated a just cause for
- 40 a continuance and grant the taxpayer the continuance, or deny the
- 41 continuance. A taxpayer may request that the board take action without
- 42 the taxpayer being present and that the board make a decision based on



1 the evidence already submitted to the board by filing, at least eight (8)
 2 days before the hearing date, a request with the board and the county
 3 or township official. A taxpayer may withdraw a petition by filing, at
 4 least eight (8) days before the hearing date, a notice of withdrawal with
 5 the board and the county or township official.

6 (l) At the hearing required under subsection (k):

7 (1) the taxpayer may present the taxpayer's reasons for
 8 disagreement with the assessment or deduction; and

9 (2) the county or township official with whom the taxpayer filed
 10 the notice for review must present:

11 (A) the basis for the assessment or deduction decision; and

12 (B) the reasons the taxpayer's contentions should be denied.

13 A penalty of fifty dollars (\$50) shall be assessed against the taxpayer
 14 if the taxpayer or representative fails to appear at the hearing and,
 15 under subsection (k), the taxpayer's request for continuance is denied,
 16 or the taxpayer's request for continuance, request for the board to take
 17 action without the taxpayer being present, or withdrawal is not timely
 18 filed. A taxpayer may appeal the assessment of the penalty to the
 19 Indiana board or directly to the tax court. The penalty may not be added
 20 as an amount owed on the property tax statement under IC 6-1.1-22 or
 21 IC 6-1.1-22.5.

22 (m) The official referred to in subsection (a) **may not require and**
 23 **the taxpayer to provide documentary evidence at shall exchange**
 24 **information before** the preliminary informal meeting under subsection
 25 (h) ~~The county board may not require a taxpayer to file documentary~~
 26 ~~evidence or summaries of statements of testimonial evidence before the~~
 27 ~~hearing required under subsection (k): that will be used to support~~
 28 **each party's position at the meeting to facilitate understanding and**
 29 **resolution of each party's assessment position. If additional**
 30 **information is obtained by a party before the county board hearing**
 31 **under subsection (k), the party shall provide that information to**
 32 **the other party before the county board hearing. If a party offers**
 33 **to provide new information to the other party for the first time at**
 34 **the hearing before the county board, the county board shall**
 35 **continue the hearing to the immediately following county board**
 36 **hearing date so that the other party has the opportunity to review**
 37 **the information supporting the assessment position of the party**
 38 **providing the new information.** If the action for which a taxpayer
 39 seeks review under this section is the assessment of tangible property,
 40 the taxpayer is not required to have an appraisal of the property in order
 41 to do the following:

42 (1) Initiate the review.



- 1 (2) Prosecute the review.
- 2 (n) The county board shall prepare a written decision resolving all
3 of the issues under review. The written decision may be in the form of
4 a stipulated determination under section 2.5 of this chapter. The county
5 board shall, by mail, give notice of its determination not later than:
6 (1) one hundred twenty (120) days after the hearing under
7 subsection (k); or
8 (2) thirty (30) days after an entry of a stipulated determination
9 under section 2.5 of this chapter;
10 to the taxpayer, the official referred to in subsection (a), the county
11 assessor, and the county auditor.
- 12 (o) If the maximum time elapses:
13 (1) under subsection (k) for the county board to hold a hearing; or
14 (2) under subsection (n) for the county board to give notice of its
15 determination;
16 the taxpayer may initiate a proceeding for review before the Indiana
17 board by taking the action required by section 3 of this chapter at any
18 time after the maximum time elapses.
- 19 SECTION 2. IC 6-1.1-24-6.1, AS AMENDED BY P.L.187-2016,
20 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 2017]: Sec. 6.1. (a) The county executive may do the
22 following:
23 (1) By resolution, identify properties concerning which the county
24 executive desires to offer to the public the certificates of sale
25 acquired by the county executive under section 6 of this chapter.
26 (2) Except as otherwise provided in subsection (c), in conformity
27 with IC 5-3-1-4, publish:
28 (A) notice of the date, time, and place for a public sale; and
29 (B) a listing of parcels on which certificates will be offered by
30 parcel number and minimum bid amount;
31 once each week for three (3) consecutive weeks, with the final
32 advertisement being not less than thirty (30) days before the sale
33 date. The expenses of the publication shall be paid out of the
34 county general fund.
35 (3) Sell each certificate of sale covered by the resolution for a
36 price that:
37 (A) is less than the minimum sale price prescribed by section
38 5 of this chapter; and
39 (B) includes any costs ~~to the~~ **of sale, advertising costs, and**
40 **other expenses incurred by any county executive office or**
41 **department that are** directly attributable to the sale of the
42 certificate of sale, **regardless of whether it is incurred**



- 1 **before, during, or after the sale.**
- 2 (b) Except as otherwise provided in subsection (c), notice of the list
- 3 of properties prepared under subsection (a) and the date, time, and
- 4 place for the public sale of the certificates of sale shall be published in
- 5 accordance with IC 5-3-1. The notice must:
- 6 (1) include a description of the property by parcel number and
- 7 common address;
- 8 (2) specify that the county executive will accept bids for the
- 9 certificates of sale for the price referred to in subsection (a)(3);
- 10 (3) specify the minimum bid for each parcel;
- 11 (4) include a statement that a person redeeming each tract or item
- 12 of real property after the sale of the certificate must pay:
- 13 (A) the amount of the minimum bid under section 5 of this
- 14 chapter for which the tract or item of real property was last
- 15 offered for sale;
- 16 (B) ten percent (10%) of the amount for which the certificate
- 17 is sold;
- 18 (C) the attorney's fees and costs of giving notice under
- 19 IC 6-1.1-25-4.5;
- 20 (D) the costs of a title search or of examining and updating the
- 21 abstract of title for the tract or item of real property;
- 22 (E) all taxes and special assessments on the tract or item of
- 23 real property paid by the purchaser after the sale of the
- 24 certificate plus interest at the rate of ten percent (10%) per
- 25 annum on the amount of taxes and special assessments paid by
- 26 the purchaser on the redeemed property; and
- 27 (F) all costs of sale, advertising costs, and other expenses of
- 28 the county directly attributable to the sale of certificates of
- 29 sale; and
- 30 (5) include a statement that, if the certificate is sold for an amount
- 31 more than the minimum bid under section 5 of this chapter for
- 32 which the tract or item of real property was last offered for sale
- 33 and the property is not redeemed, the owner of record of the tract
- 34 or item of real property who is divested of ownership at the time
- 35 the tax deed is issued may have a right to the tax sale surplus.
- 36 (c) For properties identified under subsection (a) for which the
- 37 certificates of sale are not sold when initially offered for sale under this
- 38 section, the county executive may omit from the notice the descriptions
- 39 of the tracts or items of real property under subsection (b)(1) and the
- 40 associated minimum bids under subsection (b)(3) if:
- 41 (1) the county executive includes in the notice a statement that
- 42 descriptions of those tracts or items of real property are available



1 on the Internet web site of the county government or the county
 2 government's contractor and the information may be obtained in
 3 an alternative form from the county executive upon request; and
 4 (2) the descriptions of those tracts or items of real property for
 5 which a certificate of sale is eligible for sale under this section are
 6 made available on the Internet web site of the county government
 7 or the county government's contractor and may be obtained from
 8 the county executive in an alternative form upon request in
 9 accordance with section 3.4 of this chapter.

10 SECTION 3. IC 6-1.1-31-11.5 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 11.5. (a) Subject to
 12 subsection (b), the department of local government finance shall adopt
 13 rules under IC 4-22-2 to govern the practice of representatives in
 14 proceedings before the property tax assessment board of appeals and
 15 the department of local government finance. **The rules must take into**
 16 **account the following:**

17 **(1) The applicant's age.**

18 **(2) The applicant's educational achievement, including the**
 19 **applicant's assessor/appraiser level.**

20 **(3) The criteria the department of local government finance**
 21 **determines to be appropriate for an individual to become a**
 22 **certified tax representative.**

23 **(4) That there are situations in which an owner who is:**

24 **(A) incapacitated; or**

25 **(B) financially unable to engage a certified tax**
 26 **representative;**

27 **should be permitted to be represented by a spouse, child,**
 28 **sibling, parent, grandparent, or grandchild (including**
 29 **stepparents, stepchildren, stepsiblings, and adoptive**
 30 **relationships). The owner, or an individual on the owner's**
 31 **behalf, shall, with an affidavit form supplied by the county**
 32 **assessor, execute a document appointing an individual as a tax**
 33 **representative for the owner.**

34 (b) Except as provided in subsection (c), a rule adopted under
 35 subsection (a) may not:

36 (1) restrict the ability of a representative to practice before the
 37 property tax assessment board of appeals or the department of
 38 local government finance based on the fact that the representative
 39 is not an attorney admitted to the Indiana bar; or

40 (2) restrict the admissibility of written or oral testimony of a
 41 representative or other witness based upon the manner in which
 42 the representative or other witness is compensated.



1 (c) A rule adopted under subsection (a) may require a representative
 2 in a proceeding before the property tax assessment board of appeals or
 3 the department of local government finance to be an attorney admitted
 4 to the Indiana bar if the matter under consideration in the proceeding
 5 is:

- 6 (1) an exemption for which an application is required under
 7 IC 6-1.1-11;
 8 (2) a claim that taxes are illegal as a matter of law;
 9 (3) a claim regarding the constitutionality of an assessment; or
 10 (4) any other matter that requires representation that involves the
 11 practice of law.

12 (d) This subsection applies to a petition that is filed with the
 13 property tax assessment board of appeals or a matter under
 14 consideration by the department of local government finance before the
 15 adoption of a rule under subsection (a) that establishes new standards
 16 for:

- 17 (1) the presentation of evidence or testimony; or
 18 (2) the practice of representatives.

19 The property tax assessment board of appeals or the department of
 20 local government finance may not dismiss a petition or reject
 21 consideration of a matter solely for failure to comply with the rule
 22 adopted under subsection (a) without providing the petitioner with an
 23 opportunity to present evidence, testimony, or representation in
 24 compliance with the rule.

25 SECTION 4. IC 6-1.1-36-7, AS AMENDED BY P.L.187-2016,
 26 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2017]: Sec. 7. (a) The department of local government finance
 28 may cancel any property taxes, delinquencies, fees, special
 29 assessments, and penalties assessed against real property owned by a
 30 county, a township, a city, a town, or a body corporate and politic
 31 established under IC 8-10-5-2(a) (**referred to as a "local unit" in this**
 32 **section**), regardless of:

- 33 (1) whether the ~~county, township, city, town, or body corporate~~
 34 ~~and politic established under IC 8-10-5-2(a)~~ **local unit** owned the
 35 property on the assessment date for which the property taxes,
 36 delinquencies, fees, special assessments, or penalties are imposed;
 37 ~~and or~~
 38 (2) ~~regardless of when the county, township, city, town, or body~~
 39 ~~corporate and politic established under IC 8-10-5-2(a)~~ **local unit**
 40 acquired the property;

41 if a petition requesting that the department cancel the taxes is
 42 submitted by the auditor, assessor, and treasurer of the county in which



1 the real property is located. ~~However,~~ **The lien for the taxes shall be**
 2 **released. If the assessed value of the property is at least equal to the**
 3 **amount of the real property taxes owed on the property,** the
 4 cancellation of any property taxes, delinquencies, fees, special
 5 assessments, or penalties under this subsection does not affect the
 6 liability of any person that is personally liable for the property taxes
 7 before the date the county, township, city, town, or body corporate and
 8 politic established under IC 8-10-5-2(a) acquired the property. **If the**
 9 **assessed value of the property is less than the amount of the real**
 10 **property taxes owed on the property, the personal liability of the**
 11 **person shall also be canceled and any corresponding liens shall be**
 12 **released.**

13 (b) The department of local government finance may cancel any
 14 property taxes, delinquencies, fees, special assessments, and penalties
 15 assessed against real property owned by this state, regardless of
 16 whether the state owned the property on the assessment date for which
 17 the property taxes, delinquencies, fees, special assessments, or
 18 penalties are imposed and regardless of when the state acquired the
 19 property, if a petition requesting that the department cancel the taxes
 20 is submitted by:

21 (1) the governor; or

22 (2) the chief administrative officer of the state agency which
 23 supervises the real property.

24 However, if the petition is submitted by the chief administrative officer
 25 of a state agency, the governor must approve the petition. In addition,
 26 the cancellation of any property taxes, delinquencies, fees, special
 27 assessments, or penalties under this subsection does not affect the
 28 liability of any person that is personally liable for the property taxes
 29 before the date the state acquired the property.

30 (c) If property taxes are canceled under subsection (a) or (b), any
 31 lien on the real property shall be released and canceled to the extent the
 32 lien covers any property taxes, delinquencies, fees, special assessments,
 33 or penalties that were assessed against the real property before or after
 34 the county, township, city, town, body corporate and politic established
 35 under IC 8-10-5-2(a), or state became the owner of the real property.

36 (d) The department of local government finance may compromise
 37 the amount of property taxes, together with any interest or penalties on
 38 those taxes, assessed against the fixed or distributable property owned
 39 by a bankrupt railroad, which is under the jurisdiction of:

40 (1) a federal court under 11 U.S.C. 1163;

41 (2) Chapter X of the Acts of Congress Relating to Bankruptcy (11
 42 U.S.C. 701-799); or



- 1 (3) a comparable bankruptcy law.
- 2 (e) After making a compromise under subsection (d) and after
3 receiving payment of the compromised amount, the department of local
4 government finance shall distribute to each county treasurer an amount
5 equal to the product of:
- 6 (1) the compromised amount; multiplied by
7 (2) a fraction, the numerator of which is the total of the particular
8 county's property tax levies against the railroad for the
9 compromised years, and the denominator of which is the total of
10 all property tax levies against the railroad for the compromised
11 years.
- 12 (f) After making the distribution under subsection (e), the
13 department of local government finance shall direct the auditors of
14 each county to remove from the tax rolls the amount of all property
15 taxes assessed against the bankrupt railroad for the compromised years.
- 16 (g) The county auditor of each county receiving money under
17 subsection (e) shall allocate that money among the county's taxing
18 districts. The auditor shall allocate to each taxing district an amount
19 equal to the product of:
- 20 (1) the amount of money received by the county under subsection
21 (e); multiplied by
22 (2) a fraction, the numerator of which is the total of the taxing
23 district's property tax levies against the railroad for the
24 compromised years, and the denominator of which is the total of
25 all property tax levies against the railroad in that county for the
26 compromised years.
- 27 (h) The money allocated to each taxing district shall be apportioned
28 and distributed among the taxing units of that taxing district in the
29 same manner and at the same time that property taxes are apportioned
30 and distributed.
- 31 (i) The department of local government finance may, with the
32 approval of the attorney general, compromise the amount of property
33 taxes, together with any interest or penalties on those taxes, assessed
34 against property owned by a person that has a case pending under state
35 or federal bankruptcy law. Property taxes that are compromised under
36 this section shall be distributed and allocated at the same time and in
37 the same manner as regularly collected property taxes. The department
38 of local government finance may compromise property taxes under this
39 subsection only if:
- 40 (1) a petition is filed with the department of local government
41 finance that requests the compromise and is signed and approved
42 by the assessor, auditor, and treasurer of each county and the



1 assessor of each township (if any) that is entitled to receive any
2 part of the compromised taxes;

3 (2) the compromise significantly advances the time of payment of
4 the taxes; and

5 (3) the compromise is in the best interest of the state and the
6 taxing units that are entitled to receive any part of the
7 compromised taxes.

8 (j) A taxing unit that receives funds under this section is not
9 required to include the funds in its budget estimate for any budget year
10 which begins after the budget year in which it receives the funds.

11 (k) A county treasurer, with the consent of the county auditor and
12 the county assessor, may compromise the amount of property taxes,
13 interest, or penalties owed in a county by an entity that has a case
14 pending under Title 11 of the United States Code (Bankruptcy Code)
15 by accepting a single payment that must be at least seventy-five percent
16 (75%) of the total amount owed in the county.

17 SECTION 5. IC 6-1.1-36-19 IS ADDED TO THE INDIANA CODE
18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
19 1, 2017]: **Sec. 19. (a) This section applies to property taxes that are
20 due and unpaid after June 30, 2017, regardless of whether the
21 property taxes were imposed for an assessment date occurring
22 before or after July 1, 2017.**

23 **(b) The authority granted by this section to cancel property
24 taxes does not limit any other procedure or remedy provided by
25 law, including retroactive reinstatement of a property tax
26 exemption under IC 6-1.1-11-4.**

27 **(c) The department of local government finance may cancel,
28 with the approval of the attorney general, any property taxes,
29 together with any accrued interest and penalties on property taxes,
30 assessed against real or personal property owned by:**

31 **(1) a nonprofit corporation:**

32 **(A) established under or subject to IC 23-17; and**

33 **(B) organized for educational, literary, scientific, religious,
34 or charitable purposes; or**

35 **(2) any other entity organized as a church or religious entity.**

36 **(d) The department of local government finance may cancel
37 property taxes under this section only if:**

38 **(1) a petition requesting that the department of local
39 government finance cancel the property taxes is submitted to
40 the department of local government finance;**

41 **(2) the petition filed with the department of local government
42 finance is signed and approved by:**



- 1 **(A) the county auditor, county assessor, and county**
- 2 **treasurer of the county in which the property is located;**
- 3 **and**
- 4 **(B) the township assessor of the township where the**
- 5 **property is located, if there is a township assessor for the**
- 6 **township where the property is located;**
- 7 **(3) the department of local government finance determines**
- 8 **that the cancellation of the property taxes is in the best**
- 9 **interest of the state and the taxing units that would otherwise**
- 10 **be entitled to receive the property taxes; and**
- 11 **(4) either:**
- 12 **(A) the property for which cancellation of property taxes**
- 13 **is being requested would have been exempt from property**
- 14 **taxation for the assessment date for which property taxes**
- 15 **were imposed if a timely exemption application had been**
- 16 **filed for that assessment date; or**
- 17 **(B) property taxes were imposed on the property for which**
- 18 **cancellation of property taxes is being requested before the**
- 19 **property was acquired by the petitioner and, after the**
- 20 **petitioner acquired the property, the property is owned,**
- 21 **operated, and used for a purpose that entitles the**
- 22 **petitioner to a property tax exemption under IC 6-1.1-10.**
- 23 **(e) In making a decision as to whether an action to cancel**
- 24 **property taxes is in the best interest of the state and the taxing**
- 25 **units that would otherwise be entitled to receive the property taxes,**
- 26 **the department of local government finance shall take into account**
- 27 **the following:**
- 28 **(1) Where the petitioner's facilities are located.**
- 29 **(2) The services that the petitioner provides to the petitioner's**
- 30 **members and the community.**
- 31 **(3) The economic and social conditions existing in the**
- 32 **petitioner's service area.**
- 33 **(4) Any other factors that show that the presence of the**
- 34 **petitioner in the taxing district where the petitioner is located**
- 35 **is beneficial to the taxing units and residents in the taxing**
- 36 **district.**

