

First Regular Session 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.

SENATE ENROLLED ACT No. 310

AN ACT to amend the Indiana Code concerning local government.

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

SECTION 1. IC 6-1.1-46 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

Chapter 46. County Option Deduction for Land Bank Transferees

Sec. 1. The following definitions apply throughout this chapter:

(1) "Deduction allowance period" for a county means the period:

(A) beginning on January 1 of the year immediately following the year in which the county fiscal body adopts an ordinance under section 2 of this chapter to have this chapter apply in the county; and

(B) ending on January 1 of the year immediately following the year in which the fifth anniversary of the termination date of the eligible transfer period occurs, if the county fiscal body has adopted an ordinance specifying the termination date of the eligible transfer period under section 4 of this chapter.

(2) "Eligible transfer period" for a county means the period:

(A) beginning on the date the county fiscal body adopts an ordinance under section 2 of this chapter to have this chapter apply in the county; and

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(B) ending on the termination date specified in an ordinance adopted by the county fiscal body under section 4 of this chapter, if any.

(3) "Land bank" has the meaning set forth in IC 36-7-38-1.

Sec. 2. (a) A county fiscal body of a county in which a land bank is established may adopt an ordinance to have this chapter apply in the county.

(b) An ordinance adopted under this section must specify the percentage of assessed valuation to use in computing the deduction provided by this chapter. The percentage must be at least twenty-five percent (25%) and at most fifty percent (50%).

(c) If a county fiscal body wishes to adopt an ordinance under this section, the county fiscal officer shall, in addition to any other notices required for the adoption of an ordinance, issue a notice to the fiscal officer of each taxing unit that would be affected by the adoption of the ordinance at least twenty-one (21) days before the date on which the county fiscal body intends to hold a hearing on the proposed ordinance.

(d) After the county fiscal body hears the public testimony on the proposed ordinance, the county fiscal body may adopt an ordinance to have this chapter apply in the county.

Sec. 3. If an ordinance adopted under section 2 of this chapter is in effect in a county, subject to the requirements of section 2 of this chapter, the county fiscal body may adopt an ordinance that changes the percentage of assessed valuation to use in computing the deduction provided by this chapter.

Sec. 4. (a) If an ordinance adopted under section 2 of this chapter is in effect in a county, the county fiscal body may adopt an ordinance specifying the date on which the eligible transfer period is to terminate.

(b) If a county fiscal body has adopted an ordinance under subsection (a), the ordinances adopted under this chapter expire on January 1 of the year immediately following the year in which the fifth anniversary of the termination date of the eligible transfer period occurs.

Sec. 5. If an ordinance adopted under section 2 of this chapter is in effect in a county, a person to whom a land bank transfers real property in a county during the eligible transfer period is entitled to a deduction from the assessed value of the real property for each of the five (5) consecutive years immediately following the year in which the land bank transfers the real property to the person in an amount equal to:



- (1) the percentage specified in an ordinance adopted under section 2 or 3 of this chapter, as applicable; multiplied by
- (2) the assessed value of the property transferred by the land bank to the person.

Sec. 6. (a) If an ordinance adopted under section 2 of this chapter is in effect in a county, each land bank that is located in the county shall transmit a report to the county auditor before February 1 of each assessment year in the deduction allowance period in the manner prescribed by the county auditor that provides the information specified in subsection (b) for each property transferred by the land bank:

- (1) after the later of:
 - (A) the date on which the eligible transfer period began; or
 - (B) January 1 of the fifth year immediately preceding the year in which the report is due; and
- (2) before the earlier of:
 - (A) the termination date of the eligible transfer period as specified in an ordinance adopted under section 4 of this chapter, if any; or
 - (B) January 1 of the year in which the report is due.

(b) For each item of real property included in a report required under subsection (a), a land bank shall furnish the following information:

- (1) The date on which the real property was transferred.
- (2) The person to whom the land bank transferred the real property.
- (3) The street address of the real property, if any.
- (4) The key number of the real property.

Sec. 7. (a) This section applies if an ordinance adopted under section 2 of this chapter is in effect in a county.

(b) Each year in a county's deduction allowance period, for each report received from a land bank under section 6 of this chapter, the county auditor shall prepare a list of those properties described in the report that, on January 1 of the year, continued to be owned by the person to whom the real property was transferred by the land bank.

Sec. 8. A taxpayer who is eligible for the deduction provided by this chapter is not required to take any action in order to receive the deduction. A county auditor shall apply the appropriate deduction to the assessed values of the eligible properties based on the information received from the land banks in the county under section 6 of this chapter and other information available to the



county auditor.

SECTION 2. IC 6-1.1-47 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

Chapter 47. County Option Allocation of Property Taxes Paid on Property Transferred by Certain Entities

Sec. 1. The following definitions apply throughout this chapter:

(1) "Eligible transfer of real property" means the transfer of an item of real property by a transferring entity under any of the following statutes:

(A) IC 36-7-14-22.5.

(B) IC 36-7-15.1-15.5.

(C) IC 36-7-38.

(2) "Land bank" has the meaning set forth in IC 36-7-38-1.

(3) "Redevelopment commission" includes:

(A) a redevelopment commission established under IC 36-7-14; and

(B) a metropolitan development commission established under IC 36-7-15.1.

(4) "Transferring entity" means:

(A) a land bank; or

(B) a redevelopment commission.

Sec. 2. (a) A county fiscal body of a county in which a transferring entity is authorized to operate may adopt an ordinance to have this chapter apply in the county.

(b) An ordinance adopted under this section must specify the percentage of property tax revenue that is to be allocated to transferring entities under this chapter. The percentage must be at least twenty-five percent (25%) and at most fifty percent (50%).

(c) If a county fiscal body wishes to adopt an ordinance under this section, the county fiscal officer shall, in addition to any other notices required for the adoption of an ordinance, issue a notice to the fiscal officer of each taxing unit that would be affected by the adoption of the ordinance at least twenty-one (21) days before the date on which the county fiscal body intends to hold a hearing on the proposed ordinance.

(d) After the county fiscal body hears the public testimony on the proposed ordinance, the county fiscal body may adopt an ordinance to have this chapter apply in the county.

Sec. 3. If an ordinance adopted under section 2 of this chapter is in effect in a county, subject to the requirements of section 2 of this chapter, the county fiscal body may adopt an ordinance



changing the percentage of property tax revenue that is to be allocated to transferring entities under this chapter.

Sec. 4. If an ordinance adopted under section 2 of this chapter is in effect in a county, the county fiscal body may rescind the ordinance.

Sec. 5. An ordinance adopted under this chapter is effective January 1 of the year following the year in which the ordinance is adopted.

Sec. 6. (a) If an ordinance adopted under section 2 of this chapter is in effect in a county for a year, each transferring entity that is located in the county shall transmit a report to the county auditor before February 1 of the assessment year in the manner prescribed by the county auditor that provides the information specified in subsection (b) for each eligible transfer of real property by the transferring entity:

(1) on or after the later of:

(A) the date on which the ordinance adopted under section 2 of this chapter became effective in the county; or

(B) January 1 of the fifth year immediately preceding the year in which the report is due; and

(2) before January 1 of the year in which the report is due.

(b) For each eligible transfer of real property included in a report required under subsection (a), a transferring entity shall furnish the following information:

(1) The date on which the real property was transferred.

(2) The person to whom the transferring entity transferred the real property.

(3) The street address of the real property, if any.

(4) The key number of the real property.

Sec. 7. (a) For each year in which an ordinance adopted under section 2 of this chapter is in effect in a county, for each list submitted by a transferring entity under section 6 of this chapter, the county auditor shall allocate the property taxes collected for the items of real property on the list as follows:

(1) The percentage specified in an ordinance adopted under section 2 or 3 of this chapter, as applicable, to the transferring entity.

(2) One hundred percent (100%) minus the percentage described in subdivision (1) to the respective taxing districts in which the properties are located.

Subject to annual appropriation by the county fiscal body, the county auditor shall distribute amounts allocated under



subdivision (1) to the transferring entity at the same time other property taxes are apportioned and distributed. The county auditor shall apportion and distribute the amounts allocated to a taxing district under subdivision (2) among the taxing units of that taxing district in the same manner and at the same time as other property taxes are apportioned and distributed.

(b) If an item of real property is listed on more than one (1) list that the county auditor receives under section 6 of this chapter, the county auditor shall make the allocation required under subsection (a)(1) to the transferring entity that transferred the item of real property most recently.

SECTION 3. IC 36-1-8-16, AS ADDED BY P.L.169-2006, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 16. (a) **Except as provided in subsection (e)**, if a county executive disposes of real property, the property taxes collected for each item of the real property in the first year the item of real property is subject to taxation after the year the real property is sold or otherwise conveyed shall be disbursed to the county executive that sold or otherwise conveyed the item of real property.

(b) Disbursements to the county executive under subsection (a) shall be deposited into the county general fund, the redevelopment fund, the unsafe building fund, or the housing trust fund and shall be used only for one (1) or more of the purposes authorized under IC 36-7-14-22.5 or IC 36-7-15.1-15.5.

(c) The county executive shall forward a copy of each resolution that disposes or otherwise conveys real property to the county auditor.

(d) The disbursement of property taxes under subsection (a) shall terminate in the second year the item of real property is subject to taxation after the property is sold or otherwise conveyed.

(e) This section does not apply to real property to which IC 6-1.1-47 applies.

SECTION 4. IC 36-7-38-1, AS ADDED BY P.L.211-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. The following definitions apply throughout this chapter:

- (1) "Distressed real property" includes real property in a neglected or unmarketable condition.
- (2) "Eligible unit" means:
 - (A) a county;
 - (B) a consolidated city; **or**
 - (C) a second class city; **or**
 - (D) a third class city;**



to which IC 36-7-9 applies.

(3) "Land bank" means an entity established by or in accordance with an ordinance adopted under section 2 of this chapter.

(4) "Person" means an individual, a corporation, a limited liability company, a partnership, or other legal entity.

SECTION 5. IC 36-7-38-2, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2017 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

Sec. 2. (a) The legislative body of an eligible unit may adopt an ordinance:

(1) establishing a body corporate and politic; or

(2) directing the executive of the eligible unit to organize a nonprofit corporation under IC 23-17;

as an independent instrumentality exercising essential governmental functions. The primary purpose of an entity established under this subsection is to manage and improve the marketability of distressed real property located in the territory of the eligible unit.

(b) The legislative body shall specify the following in the ordinance:

(1) The name of the entity.

(2) The number of board members, subject to section ~~3~~ 4 of this chapter.

(c) The territory of a land bank established by a county is all the territory of the county, except for the territory of any second class city **or third class city** in the county that has established a land bank.

SECTION 6. IC 36-7-38-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 7.5. (a) This section applies to the board of a land bank established by a third class city.**

(b) The board of a land bank to which this section applies is comprised of the following:

(1) Three (3) directors appointed by the executive of the third class city. A director appointed under this subdivision must be a resident of the third class city.

(2) Three (3) directors appointed by the legislative body of the third class city. A director appointed under this subdivision must be a resident of the third class city.

(3) A director appointed by the county treasurer of the county in which the third class city is located, or the county treasurer of the county in which most residents of the third class city reside, if the third class city is located in more than one (1) county. A director appointed under this subdivision must be a resident of the third class city.



(4) At most two (2) additional directors appointed, as applicable, in the manner and subject to the requirements set forth in the land bank's bylaws.

(c) The terms of the initial directors of a land bank to which this section applies are equal to:

(1) the remainder of the calendar year in which the land bank is established; plus

(2) a number of additional years equal to:

(A) one (1) calendar year, for directors appointed under subsection (b)(1);

(B) two (2) calendar years, for directors appointed under subsection (b)(2); and

(C) three (3) calendar years, for directors appointed under subsection (b)(3) or (b)(4).



President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

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