ENGROSSED
SENATE BILL No. 310

DIGEST OF SB 310 (Updated March 27, 2017 5:12 pm - DI 84)

Citations Affected: IC 6-1.1; IC 36-1; IC 36-7.

Synopsis: Land banks. Allows a county fiscal body to adopt an ordinance authorizing a deduction for property transferred from a land bank. Allows a county fiscal body to adopt an ordinance authorizing the allocation of property tax revenue collected with respect to transferred properties to the transferring entities. Authorizes a third class city to which the unsafe building law applies to establish a land bank to manage and improve the marketability of distressed real property in the city. Establishes memberships on the land bank board of a third class city.

Effective: July 1, 2017.

Hershman, Holdman, Lanane, Buck, Randolph Lonnie M

(HOUSE SPONSORS — VANNATTER, BROWN T, MOED)

January 9, 2017, read first time and referred to Committee on Local Government.
February 14, 2017, read second time, amended, ordered engrossed.
February 15, 2017, engrossed.
February 16, 2017, read third time, passed. Yeas 48, nays 0.

HOUSE ACTION
February 28, 2017, read first time and referred to Committee on Government and Regulatory Reform.
March 27, 2017, read second time, amended, ordered engrossed.
ENGROSSED
SENATE BILL No. 310

A BILL FOR 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

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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

(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

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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).
COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 310, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 310 as introduced.)

BUCK, Chairperson

Committee Vote: Yeas 9, Nays 0

SENATE MOTION

Madam President: I move that Senate Bill 310 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"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

(B) ending on the termination date specified in an ordinance adopted by the county fiscal body under section

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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 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.

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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 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."

Renumber all SECTIONS consecutively.

(Reference is to SB 310 as printed January 27, 2017.)

HERSHMAN

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Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred Senate Bill 310, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-36-1.5, AS ADDED BY P.L.154-2006, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1.5. (a) Subject to subsections (b) and (c), and except as provided in subsection (d), a document, including a form, a return, or a writing of any type, which must be filed by a due date under this article or IC 6-1.5, is considered to be filed by the due date if the document is:

(1) received on or before the due date by the appropriate recipient;
(2) deposited in United States first class mail:
   (A) properly addressed to the appropriate recipient;
   (B) with sufficient postage; and
   (C) postmarked by the United States Postal Service as mailed on or before the due date;
(3) deposited with a nationally recognized express parcel carrier and is:
   (A) properly addressed to the appropriate recipient; and
   (B) verified by the express parcel carrier as:
      (i) paid in full for final delivery; and
      (ii) received by the express parcel carrier on or before the due date; or
(4) deposited to be mailed through United States registered mail, United States certified mail, or United States certificate of mailing:
   (A) properly addressed to the appropriate recipient;
   (B) with sufficient postage; and
   (C) with a date of registration, certification, or certificate, as evidenced by any record authenticated by the United States Postal Service, on or before the due date.

For purposes of this subsection, "postmarked" does not mean the date printed by a postage meter that affixes postage to the envelope or package containing a payment.

(b) If a document is mailed through the United States mail and is physically received after the due date without a legible correct
postmark, the person who mailed the document is considered to have filed the document on or before the due date if the person can show by reasonable evidence that the document was deposited in the United States mail on or before the due date.

(c) If a document is sent via the United States mail or a nationally recognized express parcel carrier but is not received by the designated recipient, the person who sent the document is considered to have filed the document on or before the due date if the person:

(1) can show by reasonable evidence that the document was deposited in the United States mail, or with the express parcel carrier, on or before the due date; and

(2) files a duplicate document within thirty (30) days after the date the person is notified that the document was not received.

(d) This section does not apply to a payment addressed in IC 6-1.1-37-10(f); IC 6-1.1-37-10(i).

SECTION 2. IC 6-1.1-37-10, AS AMENDED BY P.L.149-2016, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 10. (a) Except as provided in section 10.7 of this chapter, if an installment of property taxes is not completely paid on or before the due date, a penalty shall be added to the unpaid portion in the year of the initial delinquency. The penalty is equal to:

(1) the amount determined as follows under subsection (b); plus

(2) the amount determined under subsection (c), if applicable.

(b) The penalty under this subsection is equal to an amount determined as follows:

(1) If:

(A) an installment of real property taxes is completely paid on or before the date thirty (30) days after the due date; and

(B) the taxpayer is not liable for delinquent property taxes first due and payable in a previous installment for the same parcel;

the amount of the penalty is equal to five percent (5%) of the amount of delinquent taxes.

(2) If:

(A) an installment of personal property taxes is completely paid on or before the date thirty (30) days after the due date; and

(B) the taxpayer is not liable for delinquent property taxes first due and payable in a previous installment for a personal property tax return for property in the same taxing district;

the amount of the penalty is equal to five percent (5%) of the amount of delinquent taxes.
(3) If subdivision (1) or (2) does not apply, the amount of the penalty is equal to ten percent (10%) of the amount of delinquent taxes.

(c) For a county in which an ordinance adopted under section 10.2 of this chapter is in effect in the county, the penalty under this subsection is equal to an amount determined as follows:

(1) If:

(A) an installment of real property taxes is completely paid on or before the date thirty (30) days after the due date; and

(B) the taxpayer is not liable for delinquent property taxes first due and payable in a previous installment for the same parcel;

the amount of the penalty is equal to the amount of the delinquent taxes multiplied by fifty percent (50%) of the county penalty rate.

(2) If:

(A) an installment of personal property taxes is completely paid on or before the date thirty (30) days after the due date; and

(B) the taxpayer is not liable for delinquent property taxes first due and payable in a previous installment for a personal property tax return for property in the same taxing district;

the amount of the penalty is equal to the amount of delinquent taxes multiplied by fifty percent (50%) of the county penalty rate.

(3) If subdivision (1) or (2) does not apply, the amount of the penalty is equal to the amount of delinquent taxes multiplied by the county penalty rate.

(b) (d) With respect to property taxes due in two (2) equal installments under IC 6-1.1-22-9(a), on the day immediately following the due dates of the first and second installments in each year following the year of the initial delinquency, an additional penalty shall be added equal to:

(1) any taxes remaining unpaid; multiplied by

(2) a rate equal to:

(A) ten percent (10%); or any taxes remaining unpaid shall be added; plus

(B) the county penalty rate, if an ordinance adopted under section 10.2 of this chapter is in effect in the county in which the underlying property was assessed.
(e) With respect to property taxes due in installments under IC 6-1.1-22-9.5, on the day immediately following each date that succeeds the last installment due date by six (6) months or a multiple of six (6) months, an additional penalty equal to ten percent (10%) of any taxes remaining unpaid shall be added on the day immediately following each date that succeeds the last installment due date by: (1) six (6) months; or (2) a multiple of six (6) months. Equal to:

1) any taxes remaining unpaid; multiplied by
2) a rate equal to:
   (A) ten percent (10%); plus
   (B) the county penalty rate, if an ordinance adopted under section 10.2 of this chapter is in effect in the county in which the underlying property was assessed.

(f) The penalties under subsection (b) subsections (d) and (e) are imposed only on the principal amount of the delinquent taxes.

(g) If the department of local government finance determines that an emergency has occurred which precludes the mailing of the tax statement in any county at the time set forth in IC 6-1.1-22-8.1, the department shall establish by order a new date on which the installment of taxes in that county is due and no installment is delinquent if paid by the date so established.

(h) If any due date falls on a Saturday, a Sunday, a national legal holiday recognized by the federal government, or a statewide holiday, the act that must be performed by that date is timely if performed by the next succeeding day that is not a Saturday, a Sunday, or one (1) of those holidays.

(i) Subject to subsections (g) (j) and (h), (k), a payment to the county treasurer is considered to have been paid by the due date if the payment is:

1) received on or before the due date by the county treasurer or a collecting agent appointed by the county treasurer;
2) deposited in United States first class mail:
   (A) properly addressed to the principal office of the county treasurer;
   (B) with sufficient postage; and
   (C) postmarked by the United States Postal Service as mailed on or before the due date;
3) deposited with a nationally recognized express parcel carrier and is:
   (A) properly addressed to the principal office of the county treasurer; and...
(B) verified by the express parcel carrier as:
   (i) paid in full for final delivery; and
   (ii) received by the express parcel carrier on or before the
due date;

(4) deposited to be mailed through United States registered mail,
United States certified mail, or United States certificate of
mailing:
   (A) properly addressed to the principal office of the county
   treasurer;
   (B) with sufficient postage; and
   (C) with a date of registration, certification, or certificate, as
evidenced by any record authenticated by the United States
Postal Service, on or before the due date; or

(5) made by an electronic funds transfer and the taxpayer's bank
account is charged on or before the due date.

For purposes of this subsection, "postmarked" does not mean the date
printed by a postage meter that affixes postage to the envelope or
package containing a payment.

(j) If a payment is mailed through the United States mail and is
physically received after the due date without a legible correct
postmark, the person who mailed the payment is considered to have
made the payment on or before the due date if the person can show by
reasonable evidence that the payment was deposited in the United
States mail on or before the due date.

(k) If a payment is sent via the United States mail or a nationally
recognized express parcel carrier but is not received by the designated
recipient, the person who sent the payment is considered to have made
the payment on or before the due date if the person:
   (1) can show by reasonable evidence that the payment was
deposited in the United States mail, or with the express parcel
carrier, on or before the due date; and
   (2) makes a duplicate payment within thirty (30) days after the
date the person is notified that the payment was not received.

SECTION 3. IC 6-1.1-37-10.2 IS ADDED TO THE INDIANA
CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2017]: Sec. 10.2. (a) This section applies to a
county in which at least one (1) land bank is established.

(b) As used in this section, "land bank" has the meaning set
forth in IC 36-7-38-1.

(c) The fiscal body of a county to which this section applies may
adopt an ordinance to impose an additional penalty on delinquent
property taxes in the county at a rate that does not exceed five
percent (5%).

(d) If an ordinance adopted under subsection (c) is in effect in a county, the fiscal body of the county may rescind the ordinance.

(e) An ordinance adopted under this section is effective on January 1 of the year immediately following the year in which the ordinance is adopted.

(f) If a county fiscal body adopts an ordinance under this section, the county auditor shall promptly transmit a copy of the ordinance to the department in the manner prescribed by the department.

(g) Notwithstanding section 12 of this chapter, IC 6-1.1-22-9(f), or any other law, if an ordinance adopted under subsection (c) is in effect in a county, the county auditor shall allocate the penalties collected under section 10(c), 10(d)(2)(B), and 10(e)(2)(B) of this chapter to each land bank in the county in an amount equal to:

1. the amount of the penalties collected under section 10(c), 10(d)(2)(B), and 10(e)(2)(B) of this chapter; multiplied by
2. a fraction equal to:
   A. the assessed value of property located in the territory of the land bank; divided by
   B. the total assessed value of property located in the territories of all land banks in the county.

The county auditor shall distribute the allocations determined under this subsection to each respective land bank in the county without appropriation at the times that property taxes are apportioned and distributed to the taxing units of the county."

Page 3, line 13, after "each" insert "assessment".
Page 5, line 17, delete "year" and insert "assessment year".
Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 310 as reprinted February 15, 2017.)

LUCAS

Committee Vote: yeas 7, nays 3.
HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 310 be amended to read as follows:
Page 1, delete lines 1 through 17.
Delete pages 2 through 6.
Page 7, delete line 1.
Renumber all SECTIONS consecutively.

(Reference is to ESB 310 as printed March 21, 2017.)

SHACKLEFORD