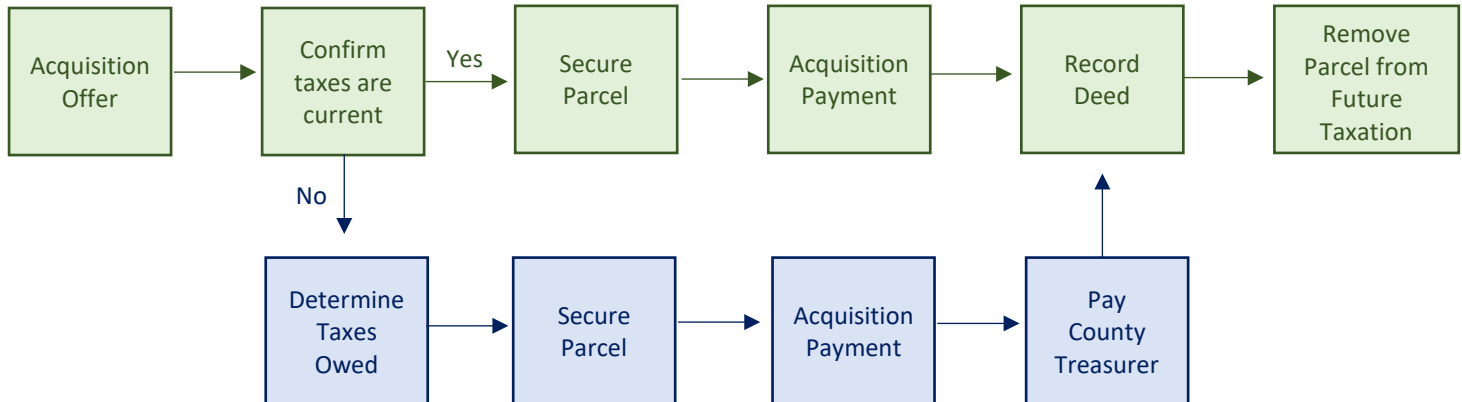




BUYING AND PROPERTY MANAGEMENT (PM) PROPERTY TAXES PROCESS



1. The assigned buyer is required to ensure all property taxes are current as of the date of the acquisition. If they are not current, the buyer will include the amount owed for property taxes within the acquisition of the right of way.
2. The Property Management section facilitates the delivery of the acquisition checks. If part of the acquisition includes payment for property taxes, those taxes are for current or past due taxes not future taxes.
3. The Property owner is required to endorse the check for taxes and return it to INDOT. We will send the endorsed check to the County Treasurer. A letter is included with the check that states:

Once the County Recorder has recorded the forthcoming deed for this State of Indiana acquisition, please have the County Auditor remove the acquired portion of this parcel from taxation in accordance with Indiana Code 8-23-7-31 that in part reads, “Real property and interests in real property acquired for permanent highway purposes are exempt from taxation from the date of acquisition”. Date of acquisition is the date the deed was signed.

4. For acquisitions that do not include payment for taxes, the assigned Buyer would have confirmed that all property taxes were current prior to securing the acquired right of way.
5. Per the attached Memorandum from State Board of Tax Commissioners. Acquired right of way is exempt from taxation from the date of acquisition (date the Deed is signed).

STATE OF INDIANA

enclosure 2-22



INDIANAPOLIS, 46204

STATE BOARD OF TAX COMMISSIONERS

150 W. Market, Suite 710
317/232-3761

M E M O R A N D U M

TO: ALL COUNTY AUDITORS

FROM: STATE BOARD OF TAX COMMISSIONERS *JEM*

SUBJECT: LAND ACQUISITION BY THE INDIANA DEPARTMENT
OF TRANSPORTATION

DATE: JULY, 1993

Recently the Indiana Department of Transportation (INDOT) contacted us regarding land acquired for permanent highway purposes. Apparently through possibly some misunderstanding INDOT and/or the previous owner are being billed for taxes which fall under the provisions of IC 8-23-7-31.

We have sent a letter (copy attached) of our understanding of this particular provision to INDOT. They concur with our understanding.

While each county may not currently be affected by INDOT land acquisition, we felt it would be beneficial for everyone to receive this information.

If there are any questions regarding this issue, please advise.

STATE OF INDIANA

enclosure 2-22



INDIANAPOLIS, 46204

STATE BOARD OF TAX COMMISSIONERS

Indiana Government Center North
317/232-3761

July 14, 1993

Mr. Norman K. Malone
Special Property Acquisitor
Division of Land Acquisition
Indiana Department of Transportation
100 North Senate Avenue, Room N955
Indianapolis, IN 46204-2219

RE: Effect of real estate acquisition on property taxes

Dear Mr. Malone:

At the present time, IC 8-23-7-31 is the statute that governs the taxation of property acquired by the Department of Transportation. IC 8-23-7-31 provides in pertinent part:

(b) Real property and interests in real property acquired for permanent highway purposes are exempt from taxation from the date of acquisition, provided that all taxes, interest, and penalties recorded on the property tax duplicates have been paid. Where real property or interests in real property are acquired after the assessment date of any year but before December 31, the taxes on the property in the ensuing year are not a lien on the property and shall be removed from the tax duplicates by the county auditor.
(Emphasis Added)

The State Board Of Tax Commissioners ("Board") interprets this provision to mean any property which has an acquisition date after March 1 but before December 31 of any year shall have the property taxes for the ensuing year removed from the duplicate by the county auditor. The date of acquisition is considered to be the date the deed is signed.

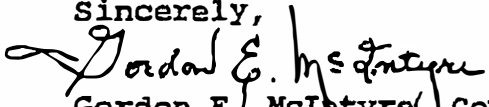
Subsequent to reviewing the statute, the only time period not covered is an acquisition date that falls between December 31 and March 1. Any properties acquired during this period would have the current taxes paid with no ensuing year's taxes due. The property would be owned by the State on or before the March 1 assessment date, therefore the property would not be assessable.

Mr. Norman K. Malone
July 13, 1993
Page Two

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If you require any additional information, please contact me.

Sincerely,



Gordon E. McIntyre, Commissioner
State Board of Tax Commissioners

GEM/dam