


Indiana
 Department of Local Government Finance
Committed to a fair and equitable property tax system for Hoosier taxpayers.

New Legislation

Courtney L. Schaafsma, CGFM
Commissioner
May 24, 2017


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SEA 310 – Land Banks

- Allows county council in a county where a land bank is established to provide a deduction on the assessed value of real estate transferred from a land bank.
 - Deduction allowed for 5 years after transfer.
 - Deduction at least 25% and at most 50% of the assessed value.
 - Public hearing is required with 21-day notice to affected taxing units.


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SEA 310 – Land Banks

- No action necessary by taxpayer to claim deduction.
- The land bank must transmit a report to the county auditor before February 1 containing information on the properties transferred.
- The county auditor shall prepare a report of the properties in the land bank report still owned by the person to whom the land bank transferred the property.


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SEA 310 – Land Banks

- Allows county council in a county where a land bank is established to allocate property tax revenue to an entity that transfers property to a land bank.
 - Allocation at least 25% and at most 50% of the property tax revenue.
 - Public hearing is required with 21-day notice to affected taxing units.


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SEA 310 – Land Banks

- The transferring entity must transmit a report to the county auditor before February 1 containing information on the properties transferred.
- The county auditor shall allocate the property tax revenues to the transferring entity at the same time other property taxes are apportioned and distributed.

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SEA 386 – Roll Date and Billing Date

- The roll date for real and personal property is changed to July 1.
 - Effective upon passage – applies to the 2017 Pay 2018 assessed value roll of data.
- The county treasurer shall mail the tax bills on or before April 15, starting in 2018.

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SEA 386 – Appeal Deadline

- For assessments after December 31, 2018, the appeal deadline is the earlier of the following:
 - June 15 of the assessment year if the notice of change in assessment (Form 11) is mailed before May 1 of the assessment year.
 - June 15 of the billing year if the Form 11 is mailed on or after May 1 of the assessment year.

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 - June 15 of the assessment year if the notice of change in assessment (Form 11) is mailed before May 1 of the assessment year.
 - June 15 of the billing year if the Form 11 is mailed on or after May 1 of the assessment year.

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HEA 1043 – Controlled Projects

- The definition of a controlled project was changed to adjust project cost thresholds.
 - (A) Ordinance/resolution making a preliminary determination to issue bonds or enter into a lease:
 - Adopted before January 1, 2018 = \$2,000,000
 - Adopted in 2018 = \$5,000,000
 - Adopted in 2019 and beyond = prior year threshold times AVGQ

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HEA 1043 – Controlled Projects

- The definition of a controlled project was changed to adjust project cost thresholds.
 - (B) An amount equal to the following:
 - 1% of total gross AV of property within the political subdivision if total gross AV is more than \$100,000,000.
 - \$1,000,000 if total gross AV of property within the political subdivision is not more than \$100,000,000.

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HEA 1043 – Petition/Remonstrance

- Project cost threshold for petition/remonstrance for non-school units is the lesser of the following:
 - Ordinance/resolution making a preliminary determination to issue bonds or enter into a lease
 - Adopted before January 1, 2018: \$12,000,000
 - Adopted in 2018: \$15,000,000
 - Adopted in 2019 and beyond: prior year threshold times AVGQ

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HEA 1043 – Petition/Remonstrance

- Project cost threshold for petition/remonstrance for non-school units is the lesser of the following:
 - An amount equal to 1% of the total gross AV of property within the political subdivision if the total gross AV is more than \$100,000,000 or \$1,000,000 if the total gross AV of property within the political subdivision is not more than \$100,000,000.

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HEA 1043 – Petition/Remonstrance

- Must hold at least 2 public hearings on the preliminary determination before adoption of the resolution or ordinance.
- Must allow public comment.
- Must provide various information as outlined in statute, including:
 - Current and projected annual debt service payments divided by net AV.
 - Sum of debt of the unit plus debt of other taxing units in the unit's territory divided by net AV.
 - Estimated debt service levy and rate for 10 years including debt roll-off.

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HEA 1043 – Referendum

- Project cost minimum for referendum for non-school units is the lesser of the following:
 - Ordinance/resolution making a preliminary determination to issue bonds or enter into a lease
 - Adopted before January 1, 2018: \$12,000,000
 - Adopted in 2018: \$15,000,000
 - Adopted in 2019 and beyond: prior year threshold times AVGQ

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HEA 1043 – Referendum

- Project cost minimum for referendum for non-school units is the lesser of the following:
 - An amount equal to 1% of the total gross AV of property within the political subdivision if the total gross AV is more than \$100,000,000 or \$1,000,000 if the total gross AV of property within the political subdivision is not more than \$100,000,000.

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HEA 1043 – Referendum

- Any other controlled project for which a political subdivision adopts an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease if the sum of the costs of the controlled project plus the costs of all other controlled projects the political subdivision has adopted in the past year exceeds \$25,000,000.

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HEA 1043 – Referendum

- Must hold at least 2 public hearings on the preliminary determination before adoption of the resolution or ordinance.
- Must allow public comment.
- Must provide various information as outlined in statute, including:
 - Estimated debt service levy and rate for 10 years including debt roll-off.

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HEA 1043 – Petition to DLGF

- A person may petition the DLGF objecting that the political subdivision has divided a controlled project to avoid petition/remonstrance or referendum.
 - Petition must be filed not more than 10 days after the political subdivision gives notice of the decision to issue bonds or enter into a lease agreement.

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HEA 1043 – Petition to DLGF

- Not later than 30 days after receiving the petition, the Department shall issue a final determination on whether the project was divided.
- A project is to be considered divided to avoid requirements if the result of 1 or more of the subprojects cannot reasonably be considered an independently desirable end in itself without reference to another capital project.

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HEA 1043 – Petition to DLGF

- If the Department determines the project was divided to avoid certain requirements, the political subdivision shall fulfill the applicable requirements regardless of the cost of the project.

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HEA 1450 – Contract Upload

- A political subdivision shall upload a copy of a contract to Gateway if the total cost of the contract exceeds \$50,000 during the term of the contract.
- Does not apply to employment contracts.
- Upload within 60 days of contract execution.
- May redact or obscure signatures.

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HEA 1450 – Homestead Deduction

- If an unmarried person receiving a homestead deduction marries and wants to continue to receive the homestead deduction on that property, the person must reapply for the deduction for the following assessment date.
- If a married individual receiving a homestead deduction divorces and wants to continue to receive the homestead deduction on that property, the person must reapply for the deduction for the following assessment date.

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HEA 1450 – Over 65

- If a person receiving an Over 65 deduction comes to own the property jointly or as a tenant in common and wants to continue to receive the Over 65 deduction on that property, the person must reapply for the deduction for the following assessment date.
- If an unmarried person receiving the Over 65 credit marries and wants to continue to receive the Over 65 credit on that property, the person must reapply for the credit for the following assessment date.

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HEA 1450 – Homestead Deduction

- Another identification option added for the homestead deduction:
 - Last 5 digits of the individual's driver's license number.
 - Last 5 digits of the individual's state ID card number.
 - NEW: Last 5 digits of a preparer tax ID number that is obtained through the IRS.

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HEA 1450 – Mortgage Deduction

- If a person receiving a mortgage deduction refinances the property and wants to continue to claim the deduction, the individual must reapply for the deduction for the following assessment year.

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HEA 1450 – Termination of Deductions

- Before a county auditor terminates a deduction, the county auditor shall give written notice to the person claiming the deduction, stating the intent to terminate the deduction and the reason.
 - May send the notice by first class mail or email.

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HEA 1450 – Penalties

- The county treasurer and the county auditor may implement a policy to waive, negotiate, or settle penalties that have accrued on delinquent property taxes imposed in the county, if the policy is approved by the fiscal body of the county.
- A negotiated agreement or a settlement agreement must be in writing among the county treasurer, county auditor and the tax payer or the taxpayer's authorized representative. The county auditor shall provide a copy of the agreement to the taxpayer or taxpayer's authorized representative.

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HEA 1450 – Penalties

- A county auditor who waives, negotiates, or settles penalties shall document the action in the manner prescribed by the Department.
- A county auditor shall provide all documentation related to a waiver, negotiation or settlement of penalties to SBOA upon request.

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HEA 1450 – Cumulative Funds

- If a political subdivision's cumulative fund is certified by the Department in an amount less than the political subdivision initially adopted for the fund and the political subdivision wishes to impose a greater tax rate for the cumulative fund in a subsequent year, the political subdivision must re-establish the cumulative fund.

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HEA 1450 – Property Tax Relief Credits

- If a LIT adopting body adopts an ordinance to reduce or eliminate the property tax relief credits that are in effect in the county, the county auditor shall give notice of the adoption of the ordinance in accordance with IC 5-3-1 not later than 30 days after the date on which the ordinance is adopted.

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HEA 1129 – Ordinances/Resolutions

- The Department may make available uniform notices, ordinances/resolutions that a LIT adopting body may use.
 - An ordinance/resolution adopted under the LIT chapter must comply with the notice and hearing requirements set forth in IC 5-3-1.

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HEA 1129 – Ordinances/Resolutions

- The Department shall prescribe the procedures for submitting the ordinance/resolutions to the Department.
- The Department shall notify the submitting entity within 30 days after submission whether the Department has received all necessary information.
- A final action to impose a new tax or amend an existing tax is not effective until the Department notifies the adopting body that all required information has been received.

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HEA 1129 – Hearing Notice

- In addition to publishing a public hearing notice on a proposed LIT ordinance and resolution, the adopting body shall also provide a copy of the notice to all taxing units in the county at least 10 days before the public hearing.

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HEA 1129 – Property Tax Relief Credits

- The allocation of property tax relief credits must be specified as a percentage of property tax relief revenue for taxpayers within each property tax category.
- Ordinance must be adopted by November 1 to apply to the next year.
- Removed two categories for credits:
 - Property that would have qualified for homestead credit.
 - Rental property.

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HEA 1129 – Outstanding Obligations

- A taxing unit with bonds, leases or other obligations payable from LIT may provide the adopting body with information regarding any outstanding bonds, leases or other obligations that are secured by LIT.
 - The information must be provided before the date of the public hearing at which the adopting body may change the allocation of additional revenue.

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HEA 1129 – Allocation of Expenditure Rate Revenue

- An ordinance/resolution on the allocation of expenditure rate revenue must be adopted by November 1 in order to apply to the ensuing year.

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HEA 1129 – PSAP

- An adopting body may adopt a resolution providing that all or part of the additional revenue allocated to public safety is to be dedicated for a PSAP.

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HEA 1129 – Public Safety

- If an adopting body chooses to distribute a portion of public safety LIT revenue to an entity that would not typically receive this revenue, the adopting body shall provide a copy of the resolution to the county auditor and the Department not more than 15 days after the resolution is adopted.
 - Failure to submit in a timely manner could impact the distributions of this revenue to the entity.

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HEA 1129 – Levy Freeze

- The levy freeze income tax rate may be decreased if the adopting body adopts a resolution to request approval from the Department to lower the levy freeze tax rate.
- The Department shall approve a lower levy freeze tax rate if it finds that the lower tax rate would fund the levy freeze dollar amount.
- If the Department approves the decrease, the adopting body must adopt an ordinance to lower the levy freeze rate before the lower rate may take effect.

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Contact the Department

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 - Email: cshaafsma@dlgf.in.gov
- Website: www.in.gov/dlgf
 - "Contact Us": www.in.gov/dlgf/2338.htm

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