

SENATE BILL No. 324

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1.

Synopsis: Property tax administration. Provides that, for a property interest created from a larger existing parcel or a combination of smaller existing parcels, the owner is required to pay only the property taxes for which the due date has passed before the county auditor may transfer the property on the last assessment list or apportion the assessed value of the property. Requires an assessing official to consolidate existing contiguous parcels of real property into a single parcel if the assessing official has knowledge that an improvement to the real property is located on or otherwise significantly affects the parcels. Allows the county treasurer to serve a written demand upon county residents who are delinquent in the payment of personal
(Continued next page)

Effective: July 1, 1998.

Lawson

January 8, 1998, read first time and referred to Committee on Governmental and Regulatory Affairs.



Digest Continued

property taxes by proof of certificate of mailing. Provides that the county treasurer shall charge as a collection expense for delinquent personal property taxes: (1) \$8 if the demand for payment is made by registered or certified mail; and (2) \$5 if the demand is made in any other manner. Provides that property tax refunds shall be paid after the June and December settlement and apportionment of property taxes. (Current law provides only for the payment of refunds after the December settlement.)



Introduced

Second Regular Session 110th General Assembly (1998)

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 1997 General Assembly.

SENATE BILL No. 324

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 6-1.1-5-5.5, AS ADDED BY P.L.51-1997,
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 1998]: Sec. 5.5. (a) Before an owner records a transfer of an
4 ownership interest in a parcel of real property that is created after the
5 person became owner of the real property and is created either from a
6 larger previously existing parcel or a combination of previously
7 existing smaller parcels, the owner must submit, except as provided in
8 section 9 of this chapter, the instrument transferring the real property
9 to the county auditor to be entered for taxation.

10 (b) The county auditor, except as provided in section 9 of this
11 chapter, shall endorse on the instrument "duly entered for taxation
12 subject to final acceptance for transfer" or another endorsement
13 authorized under section 4 of this chapter.

14 (c) A lien for and the duty to pay property taxes that are due and
15 owing is not released or otherwise extinguished if a county auditor

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1 endorses an instrument of transfer under this section. Property taxes
 2 that are due and owing on the affected parcel of property may be
 3 collected as if the county auditor had not endorsed the instrument of
 4 transfer.

5 (d) Except as provided in section 9 of this chapter, before the county
 6 auditor may transfer real property described in subsection (a) on the
 7 last assessment list or apportion the assessed value of the real property
 8 among the owners, the owner must pay or otherwise satisfy all property
 9 taxes ~~(1) that are due and owing; and (2)~~ for which the due date has
 10 passed as of the date of transfer on each of the parcels of real property
 11 from which the transferred property is derived by paying the property
 12 tax to the county treasurer of the county in which the real property is
 13 located. The county auditor, except as provided in section 9 of this
 14 chapter, may not apportion delinquent taxes described in this
 15 subsection among the owners.

16 SECTION 2. IC 6-1.1-5-16, AS ADDED BY P.L.51-1997,
 17 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 1998]: Sec. 16. If an owner of existing contiguous parcels
 19 makes a written request that includes a legal description of the existing
 20 contiguous parcels sufficient for the assessing official to identify each
 21 parcel and the area of all contiguous parcels, the assessing official shall
 22 consolidate more than one (1) existing contiguous parcel into a single
 23 parcel to the extent that the existing contiguous parcels are in a single
 24 taxing district. For existing contiguous parcels in more than one (1)
 25 taxing district, the assessing official shall, upon written request by the
 26 owner, consolidate the existing contiguous parcels in each taxing
 27 district into a single parcel. An assessing official shall consolidate more
 28 than one (1) existing contiguous parcel into a single parcel if **the**
 29 **assessing official has knowledge that** an improvement to the real
 30 property is located on or otherwise significantly affects the parcels.

31 SECTION 3. IC 6-1.1-23-1 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. (a) Annually, after
 33 November 10th but prior to August 1st of the succeeding year, each
 34 county treasurer shall serve a written demand upon each county
 35 resident who is delinquent in the payment of personal property taxes.
 36 The written demand may be served upon the taxpayer:

- 37 (1) by registered or certified mail; ~~or~~
 38 (2) in person by the county treasurer or his deputy; **or**
 39 **(3) by proof of certificate of mailing.**

40 (b) The written demand required by this section shall contain:

- 41 (1) a statement that the taxpayer is delinquent in the payment of
 42 personal property taxes;



- 1 (2) the amount of the delinquent taxes;
 2 (3) the penalties due on the delinquent taxes;
 3 (4) the collection expenses which the taxpayer owes; and
 4 (5) a statement that if the sum of the delinquent taxes, penalties,
 5 and collection expenses are not paid within thirty (30) days from
 6 the date the demand is made then:

7 (i) (A) sufficient personal property of the taxpayer shall be
 8 sold to satisfy the total amount due plus the additional
 9 collection expenses incurred; or

10 (ii) (B) a judgment may be entered against the taxpayer in the
 11 circuit court of the county.

12 SECTION 4. IC 6-1.1-23-7 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 7. (a) With respect to
 14 the collection of delinquent personal property taxes, the county
 15 treasurer shall charge the following collection expenses to each
 16 delinquent taxpayer:

17 (1) For making a demand **by:**

18 (A) **registered or certified mail, eight dollars (\$8); or**

19 (B) **any other manner permitted by section 1 of this**
 20 **chapter, five dollars (\$5).**

21 (2) For making a levy, ten dollars (\$10).

22 (3) For selling personal property, ten percent (10%) of the sale
 23 price.

24 (4) For advertising a sale, the legal rates for advertising.

25 (5) For transfer and storage of personal property, the actual
 26 expense incurred.

27 (6) Other reasonable expenses of collection, including:

28 (A) title search expenses;

29 (B) uniform commercial code search expenses; and

30 (C) reasonable attorney's fees or court costs incurred:

31 (i) in the collection process;

32 (ii) due to a court order; or

33 (iii) due to an order of the treasurer;

34 under IC 6-1.1-23-10.

35 (b) The fees collected under this section are the property of the
 36 county and shall be deposited in the county general fund. The
 37 collection expenses incurred in connection with the levy upon and sale
 38 of personal property shall be paid from the county general fund without
 39 prior appropriation.

40 SECTION 5. IC 6-1.1-26-5 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 5. (a) When a claim for
 42 refund filed under section 1 of this chapter is allowed either by the



1 county board of commissioners, the state board of tax commissioners,
2 or the Indiana tax court on appeal, the claimant is entitled to a refund.
3 The amount of the refund shall equal the amount of the claim so
4 allowed plus interest at six percent (6%) from the date on which the
5 taxes were paid or payable, whichever is later, to the date of the refund.
6 The county auditor shall, without an appropriation being required, issue
7 a warrant to the claimant payable from the county general fund for the
8 amount due the claimant under this section.

9 (b) In the **June and** December settlement and apportionment of
10 taxes immediately following a refund made under this section the
11 county auditor shall deduct the amount refunded from the gross tax
12 collections of the taxing units for which the refunded taxes were
13 originally paid and shall pay the amount so deducted into the general
14 fund of the county.

