

## SENATE BILL No. 324

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DIGEST OF SB 324 (Updated January 29, 1998 11:46 am - DI 87)

**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 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  
(Continued next page)

**Effective:** July 1, 1998.

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**Lawson, Gard**

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January 8, 1998, read first time and referred to Committee on Governmental and Regulatory Affairs.  
January 29, 1998, amended, reported favorably — Do Pass.

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SB 324—LS 6941/DI 73



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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 or December settlement and apportionment of property taxes or both the June and December settlement and apportionment of property taxes. (Current law provides only for the payment of refunds after the December settlement.)

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January 30, 1998

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.

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## 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 **and the same section**. For existing contiguous parcels  
 25 in more than one (1) taxing district **or one (1) section**, the assessing  
 26 official shall, upon written request by the owner, consolidate the  
 27 existing contiguous parcels in each taxing district **and each section**  
 28 into a single parcel. An assessing official shall consolidate more than  
 29 one (1) existing contiguous parcel into a single parcel if **the assessing**  
 30 **official has knowledge that** an improvement to the real property is  
 31 located on or otherwise significantly affects the parcels.

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

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

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

- 42 (1) a statement that the taxpayer is delinquent in the payment of

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

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

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

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

18 (1) For making a demand by:

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

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

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

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

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

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

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

29 (A) title search expenses;

30 (B) uniform commercial code search expenses; and

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

32 (i) in the collection process;

33 (ii) due to a court order; or

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

35 under IC 6-1.1-23-10.

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

41 SECTION 5. IC 6-1.1-26-5 IS AMENDED TO READ AS  
 42 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 5. (a) When a claim for



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

10 (b) In the **June or** December settlement and apportionment of taxes,  
11 **or both the June and December settlement and apportionment of**  
12 **taxes**, immediately following a refund made under this section the  
13 county auditor shall deduct the amount refunded from the gross tax  
14 collections of the taxing units for which the refunded taxes were  
15 originally paid and shall pay the amount so deducted into the general  
16 fund of the county. **However, the county auditor shall make the**  
17 **deductions and payments required by this subsection not later than**  
18 **the December settlement and apportionment.**

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SENATE MOTION

Mr. President: I move that Senator Gard be added as coauthor of  
Senate Bill 324.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Governmental and Regulatory Affairs, to which was referred Senate Bill 324, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 24, after "district" delete "." and insert "**and the same section.**".

Page 2, line 25, after "district" delete "," and insert "**or one (1) section,**".

Page 2, line 27, after "district" insert "**and each section**".

Page 4, line 9, after "June" delete "and" and insert "**or**".

Page 4, line 10, after "taxes" insert ", **or both the June and December settlement and apportionment of taxes,**".

Page 4, line 14, after "county." insert "**However, the county auditor shall make the deductions and payments required by this subsection not later than the December settlement and apportionment.**".

and when so amended that said bill do pass.

(Reference is to Senate Bill 324 as introduced.)

GARD, Chairperson

Committee Vote: Yeas 8, Nays 0.

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