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# SENATE BILL No. 147

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-13; IC 6-1.1; IC 36-2-7-19; IC 36-2-10-2.5.

**Synopsis:** Local government financial matters. Removes the requirement that a political subdivision deposit public funds in a depository that is located within the territorial limits of the political subdivision. Specifies that a county may provide notices of property tax information by electronic mail that provides an Internet link for the recipient to obtain the information. Requires the county treasurer to record whether electronic mail to a person was undeliverable. Specifies that a monthly payment plan may include an automatic monthly deduction from a taxpayer's financial institution account or monthly payments made by written instrument or electronically. Specifies that the payment cycle for a property tax payment plan may be up to 12 months and may begin in December of the year preceding the year the taxes would be due under the May and November installment method and end in the following November. Clarifies that penalties do not apply if the amount due under a monthly payment plan are paid by the due date in May or November that is designated by the taxpayer. Provides that a real property parcel is not to be listed on a tax sale notice if the delinquent property taxes are \$25 or less. Provides that the interest rate owed on property tax refunds is a rate set annually by the board for depositories based on the interest rate being earned by local governments for deposits in interest bearing transaction accounts. Requires county treasurers to attend training sessions approved by the state board of accounts. Provides that money in the county elected officials training fund may be used to provide this training. (Under current law, the fund is used to provide training to county recorders and surveyors.)

**Effective:** July 1, 2012.

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## Holdman

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January 4, 2012, read first time and referred to Committee on Tax and Fiscal Policy.

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Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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# SENATE BILL No. 147



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 5-13-8-1 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) A political subdivision may  
3 deposit public funds in a financial institution only if the financial  
4 institution

5 ~~(1) is a depository eligible to receive state funds. and~~  
6 ~~(2) has a principal office or branch that qualifies under section 9~~  
7 ~~of this chapter to receive public funds of the political subdivision.~~

8 (b) The state board of finance shall make available information  
9 concerning financial institutions eligible to receive state funds as may  
10 be requested by a local board of finance. A local board of finance may  
11 rely on certificates described in IC 5-13-9.5-1(d) in determining to  
12 deposit public funds or reinvest public funds in the financial institution.

13 SECTION 2. IC 5-13-8-9 IS AMENDED TO READ AS FOLLOWS  
14 [EFFECTIVE JULY 1, 2012]: Sec. 9. (a) All public funds of all  
15 political subdivisions shall be deposited in the ~~designated depositories~~  
16 ~~located in the respective territorial limits of the political subdivisions,~~  
17 ~~except as provided in this section. depositories designated by~~



1 (b) each board of finance of a political subdivision **from those**  
 2 **depositories designated by the state board of finance as eligible to**  
 3 **receive state deposits.**

4 (1) that is not a city, town, or school corporation; and

5 (2) whose jurisdiction crosses one (1) or more county lines;

6 may limit its boundaries for the purpose of this section to that portion  
 7 of the political subdivision within the county where its principal office  
 8 is located:

9 (c) If there is no principal office or branch of a financial institution  
 10 located in the county or political subdivision; or if no financial  
 11 institution with a principal office or branch in the county or political  
 12 subdivision will accept public funds under this chapter; the board of  
 13 finance of the county and the boards of finance of the political  
 14 subdivisions in the county shall designate one (1) or more financial  
 15 institutions with a principal office or branch outside of the county or  
 16 political subdivision; and in the state; as a depository or depositories:

17 (d) (b) The board of trustees for a hospital organized or operated  
 18 under IC 16-22-1 through IC 16-22-5 or IC 16-23-1 may invest any  
 19 money in the hospital fund anywhere in the state with any financial  
 20 institution designated by the state board of finance as depositories for  
 21 state deposits.

22 (e) If only one (1) financial institution that has a branch or principal  
 23 office in a county or political subdivision is willing to accept public  
 24 funds; the board of finance for the county or political subdivision may:

25 (1) treat the financial institution that is located within the county  
 26 or political subdivision as if the financial institution were not  
 27 located within the county or political subdivision; and

28 (2) designate one (1) or more financial institutions to receive  
 29 public funds under the requirements of subsection (c):

30 (f) (c) The investing officer shall maintain the deposits as follows:

31 (1) In one (1) or more depositories designated for the political  
 32 subdivision, if the sum of the monthly average balances of all the  
 33 transaction accounts for the political subdivision does not exceed  
 34 one hundred thousand dollars (\$100,000).

35 (2) In each depository designated for the political subdivision, if  
 36 subdivision (1) does not apply and fewer than three (3) financial  
 37 institutions are designated by the local board of finance as a  
 38 depository.

39 (3) In at least two (2) depositories designated for the political  
 40 subdivision, if subdivision (1) does not apply and at least three (3)  
 41 financial institutions are designated by the local board of finance  
 42 as a depository.

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1 SECTION 3. IC 5-13-11-2 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) The contract  
 3 must:

- 4 (1) be in writing;  
 5 (2) provide for the investment of funds by the depository with the  
 6 approval of the investing officer;  
 7 (3) provide that the depository keep those records concerning the  
 8 investment cash management system that the political subdivision  
 9 would maintain for audits by the state board of accounts;  
 10 (4) provide that investments will be made in accordance with this  
 11 article;  
 12 (5) not have a term of more than two (2) years; and  
 13 (6) be awarded under the bidding provisions of IC 5-22.

14 (b) If no designated depository whose principal office or branch is  
 15 located within the political subdivision will provide an investment cash  
 16 management service permitted in this chapter, then the contract for an  
 17 investment cash management service must be awarded as provided in  
 18 IC 5-13-8-9(c). If the investment cash management service contract is  
 19 awarded to a financial institution whose principal office or branch is  
 20 located outside the political subdivision, then the recipient of the  
 21 contract does not constitute a designated depository of the political  
 22 subdivision for purposes of investment under IC 5-13-9-3 unless it  
 23 meets the limitations of IC 5-13-9-4 or IC 5-13-9-5, but does constitute  
 24 a depository under this article for all other purposes.

25 SECTION 4. IC 6-1.1-22-8.1, AS AMENDED BY P.L.1-2010,  
 26 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27 JULY 1, 2012]: Sec. 8.1. (a) The county treasurer shall:

- 28 (1) except as provided in subsection (h), mail to the last known  
 29 address of each person liable for any property taxes or special  
 30 assessment, as shown on the tax duplicate or special assessment  
 31 records, or to the last known address of the most recent owner  
 32 shown in the transfer book; and  
 33 (2) transmit by written, electronic, or other means to a mortgagee  
 34 maintaining an escrow account for a person who is liable for any  
 35 property taxes or special assessments, as shown on the tax  
 36 duplicate or special assessment records;

37 a statement in the form required under subsection (b). However, for  
 38 property taxes first due and payable in 2008, the county treasurer may  
 39 choose to use a tax statement that is different from the tax statement  
 40 prescribed by the department under subsection (b). If a county chooses  
 41 to use a different tax statement, the county must still transmit (with the  
 42 tax bill) the statement in either color type or black-and-white type.



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1 (b) The department of local government finance shall prescribe a  
 2 form, subject to the approval of the state board of accounts, for the  
 3 statement under subsection (a) that includes at least the following:

4 (1) A statement of the taxpayer's current and delinquent taxes and  
 5 special assessments.

6 (2) A breakdown showing the total property tax and special  
 7 assessment liability and the amount of the taxpayer's liability that  
 8 will be distributed to each taxing unit in the county.

9 (3) An itemized listing for each property tax levy, including:

10 (A) the amount of the tax rate;

11 (B) the entity levying the tax owed; and

12 (C) the dollar amount of the tax owed.

13 (4) Information designed to show the manner in which the taxes  
 14 and special assessments billed in the tax statement are to be used.

15 (5) A comparison showing any change in the assessed valuation  
 16 for the property as compared to the previous year.

17 (6) A comparison showing any change in the property tax and  
 18 special assessment liability for the property as compared to the  
 19 previous year. The information required under this subdivision  
 20 must identify:

21 (A) the amount of the taxpayer's liability distributable to each  
 22 taxing unit in which the property is located in the current year  
 23 and in the previous year; and

24 (B) the percentage change, if any, in the amount of the  
 25 taxpayer's liability distributable to each taxing unit in which  
 26 the property is located from the previous year to the current  
 27 year.

28 (7) An explanation of the following:

29 (A) Homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or  
 30 another law that are available in the taxing district where the  
 31 property is located.

32 (B) All property tax deductions that are available in the taxing  
 33 district where the property is located.

34 (C) The procedure and deadline for filing for any available  
 35 homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or  
 36 another law and each deduction.

37 (D) The procedure that a taxpayer must follow to:

38 (i) appeal a current assessment; or

39 (ii) petition for the correction of an error related to the  
 40 taxpayer's property tax and special assessment liability.

41 (E) The forms that must be filed for an appeal or a petition  
 42 described in clause (D).

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(F) The procedure and deadline that a taxpayer must follow and the forms that must be used if a credit or deduction has been granted for the property and the taxpayer is no longer eligible for the credit or deduction.

(G) Notice that an appeal described in clause (D) requires evidence relevant to the true tax value of the taxpayer's property as of the assessment date that is the basis for the taxes payable on that property.

The department of local government finance shall provide the explanation required by this subdivision to each county treasurer.

(8) A checklist that shows:

(A) homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or another law and all property tax deductions; and

(B) whether each homestead credit and property tax deduction applies in the current statement for the property transmitted under subsection (a).

(9) This subdivision applies to any property for which a deduction or credit is listed under subdivision (8) if the notice required under this subdivision was not provided to a taxpayer on a reconciling statement under IC 6-1.1-22.5-12. The statement must include in 2010, 2011, and 2012 a notice that must be returned by the taxpayer to the county auditor with the taxpayer's verification of the items required by this subdivision. The notice must explain the tax consequences and applicable penalties if a taxpayer unlawfully claims a standard deduction under IC 6-1.1-12-37 on:

(A) more than one (1) parcel of property; or

(B) property that is not the taxpayer's principal place of residence or is otherwise not eligible for the standard deduction.

The notice must include a place for the taxpayer to indicate, under penalties of perjury, for each deduction and credit listed under subdivision (8), whether the property is eligible for the deduction or credit listed under subdivision (8). The notice must also include a place for each individual who qualifies the property for a deduction or credit listed in subdivision (8) to indicate the name of the individual and the name of the individual's spouse (if any), as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number (or that they use as their legal names when they sign their names on legal documents), and either the last five (5) digits of each individual's Social Security number or, if an individual does not have a Social

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1 Security number, the numbers required from the individual under  
2 IC 6-1.1-12-37(e)(4)(B). The notice must explain that the  
3 taxpayer must complete and return the notice with the required  
4 information and that failure to complete and return the notice may  
5 result in disqualification of property for deductions and credits  
6 listed in subdivision (8), must explain how to return the notice,  
7 and must be on a separate form printed on paper that is a different  
8 color than the tax statement. The notice must be prepared in the  
9 form prescribed by the department of local government finance  
10 and include any additional information required by the  
11 department of local government finance. This subdivision expires  
12 January 1, 2015.

13 (c) The county treasurer may mail or transmit the statement one (1)  
14 time each year at least fifteen (15) days before the date on which the  
15 first or only installment is due. Whenever a person's tax liability for a  
16 year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of this  
17 chapter, a statement that is mailed must include the date on which the  
18 installment is due and denote the amount of money to be paid for the  
19 installment. Whenever a person's tax liability is due in two (2)  
20 installments, a statement that is mailed must contain the dates on which  
21 the first and second installments are due and denote the amount of  
22 money to be paid for each installment. If a statement is returned to the  
23 county treasurer as undeliverable and the forwarding order is expired,  
24 the county treasurer shall notify the county auditor of this fact. Upon  
25 receipt of the county treasurer's notice, the county auditor may, at the  
26 county auditor's discretion, treat the property as not being eligible for  
27 any deductions under IC 6-1.1-12 or any homestead credits under  
28 IC 6-1.1-20.4 and IC 6-3.5-6-13.

29 (d) All payments of property taxes and special assessments shall be  
30 made to the county treasurer. The county treasurer, when authorized by  
31 the board of county commissioners, may open temporary offices for the  
32 collection of taxes in cities and towns in the county other than the  
33 county seat.

34 (e) The county treasurer, county auditor, and county assessor shall  
35 cooperate to generate the information to be included in the statement  
36 under subsection (b).

37 (f) The information to be included in the statement under subsection  
38 (b) must be simply and clearly presented and understandable to the  
39 average individual.

40 (g) After December 31, 2007, a reference in a law or rule to  
41 IC 6-1.1-22-8 (expired January 1, 2008, and repealed) shall be treated  
42 as a reference to this section.

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1 (h) Transmission of statements and other information under this  
 2 subsection applies in a county only if the county legislative body adopts  
 3 an authorizing ordinance. Subject to subsection (i), in a county in  
 4 which an ordinance is adopted under this subsection for property taxes  
 5 and special assessments first due and payable after 2009, a person may  
 6 direct the county treasurer and county auditor to transmit the following  
 7 to the person by electronic mail:

8 (1) A statement that would otherwise be sent by the county  
 9 treasurer to the person by regular mail under subsection (a)(1),  
 10 including a statement that reflects installment payment due dates  
 11 under section 9.5 or 9.7 of this chapter.

12 (2) A provisional tax statement that would otherwise be sent by  
 13 the county treasurer to the person by regular mail under  
 14 IC 6-1.1-22.5-6.

15 (3) A reconciling tax statement that would otherwise be sent by  
 16 the county treasurer to the person by regular mail under any of the  
 17 following:

18 (A) Section 9 of this chapter.

19 (B) Section 9.7 of this chapter.

20 (C) IC 6-1.1-22.5-12, including a statement that reflects  
 21 installment payment due dates under IC 6-1.1-22.5-18.5.

22 ~~(4) A statement that would otherwise be sent by the county~~  
 23 ~~auditor to the person by regular mail under IC 6-1.1-17-3(b).~~

24 (5) (4) Any other information that:

25 (A) concerns the property taxes or special assessments; and

26 (B) would otherwise be sent:

27 (i) by the county treasurer or the county auditor to the person  
 28 by regular mail; and

29 (ii) before the last date the property taxes or special  
 30 assessments may be paid without becoming delinquent.

31 **The information listed in this subsection may be transmitted to a**  
 32 **person by using electronic mail that provides a secure Internet link**  
 33 **to the information.**

34 (i) For property with respect to which more than one (1) person is  
 35 liable for property taxes and special assessments, subsection (h) applies  
 36 only if all the persons liable for property taxes and special assessments  
 37 designate the electronic mail address for only one (1) individual  
 38 authorized to receive the statements and other information referred to  
 39 in subsection (h).

40 (j) Before 2010, the department of local government finance shall  
 41 create a form to be used to implement subsection (h). The county  
 42 treasurer and county auditor shall:

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- 1 (1) make the form created under this subsection available to the  
 2 public;  
 3 (2) transmit a statement or other information by electronic mail  
 4 under subsection (h) to a person who, at least thirty (30) days  
 5 before the anticipated general mailing date of the statement or  
 6 other information, files the form created under this subsection:  
 7 (A) with the county treasurer; or  
 8 (B) with the county auditor; and  
 9 (3) publicize the availability of the electronic mail option under  
 10 this subsection through appropriate media in a manner reasonably  
 11 designed to reach members of the public.  
 12 (k) The form referred to in subsection (j) must:  
 13 (1) explain that a form filed as described in subsection (j)(2)  
 14 remains in effect until the person files a replacement form to:  
 15 (A) change the person's electronic mail address; or  
 16 (B) terminate the electronic mail option under subsection (h);  
 17 and  
 18 (2) allow a person to do at least the following with respect to the  
 19 electronic mail option under subsection (h):  
 20 (A) Exercise the option.  
 21 (B) Change the person's electronic mail address.  
 22 (C) Terminate the option.  
 23 (D) For a person other than an individual, designate the  
 24 electronic mail address for only one (1) individual authorized  
 25 to receive the statements and other information referred to in  
 26 subsection (h).  
 27 (E) For property with respect to which more than one (1)  
 28 person is liable for property taxes and special assessments,  
 29 designate the electronic mail address for only one (1)  
 30 individual authorized to receive the statements and other  
 31 information referred to in subsection (h).  
 32 (l) The form created under subsection (j) is considered filed with the  
 33 county treasurer or the county auditor on the postmark date **or on the**  
 34 **date it is electronically submitted.** If the postmark is missing or  
 35 illegible, the postmark is considered to be one (1) day before the date  
 36 of receipt of the form by the county treasurer or the county auditor.  
 37 (m) The county treasurer shall maintain a record that shows at least  
 38 the following:  
 39 (1) Each person to whom a statement or other information is  
 40 transmitted by electronic mail under this section.  
 41 (2) The information included in the statement.  
 42 (3) Whether the ~~person received the statement.~~ **county treasurer**

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1           **received a notice that the person's electronic mail was**  
 2           **undeliverable.**

3           SECTION 5. IC 6-1.1-22-9.7, AS AMENDED BY P.L.87-2009,  
 4           SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 5           JULY 1, 2012]: Sec. 9.7. (a) As used in this section, "current year"  
 6           refers to the calendar year in which property taxes are first due and  
 7           payable and are subject to payment **during the payment period** under  
 8           this section.

9           ~~(1) by automatic deduction from an account of the taxpayer that~~  
 10           ~~is held by a financial institution; or~~

11           ~~(2) under a monthly installment plan.~~

12           (b) As used in this section, "monthly ~~installment~~ **payment plan**"  
 13           means a plan that:

14           (1) is adopted under this section; **and**

15           (2) provides for the monthly payment of tax liability ~~and either~~  
 16           **by:**

17           ~~(3) does not involve (A) an automatic monthly deduction~~  
 18           ~~during the payment period from an account of the taxpayer~~  
 19           ~~that is held by a financial institution; or~~

20           **(B) the taxpayer making payments on a monthly basis**  
 21           **during the payment period either by written instrument or**  
 22           **electronically;**

23           **or both.**

24           (c) As used in this section, "payment period" means the months  
 25           designated under this section during which monthly payments may  
 26           be made. **The period may not exceed twelve (12) months and may**  
 27           **not begin before December 1 of the preceding year or end after**  
 28           **November 30 of the current year.**

29           ~~(d)~~ (d) As used in this section, "preceding year" refers to the  
 30           calendar year that immediately precedes the current year.

31           ~~(e)~~ (e) As used in this section, "tax liability" includes liability for  
 32           special assessments and refers to liability for property taxes after the  
 33           application of all allowed deductions and credits.

34           ~~(e) After June 30, 2009;~~ (f) The county fiscal body (as defined in  
 35           IC 36-1-2-6) may at any time adopt an ordinance to allow all county  
 36           taxpayers to pay one (1) or more installments of property taxes by ~~any~~  
 37           **combination of the following:**

38           ~~(1) Automatic monthly deductions from an account of the~~  
 39           ~~taxpayer that is held by a financial institution.~~

40           ~~(2) making payments under a monthly installment payment plan~~  
 41           **during a designated payment period.**

42           ~~(f)~~ (g) An ordinance adopted under subsection ~~(e)~~: (f):

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- 1 (1) may apply to more than one (1) calendar year; and
- 2 (2) must include at least the following:
  - 3 (A) Identification of the property tax installment or
  - 4 installments **and designation of the months of the payment**
  - 5 **period** for which payment
    - 6 (i) by automatic deduction from an account of the taxpayer
    - 7 that is held by a financial institution; or
    - 8 (ii) under a monthly **installment payment plan**
    - 9 is authorized.
  - 10 (B) Provisions for notice to county taxpayers of the option to
  - 11 pay one (1) or more property tax installments
    - 12 (i) by automatic deduction from an account of the taxpayer
    - 13 that is held by a financial institution; or
    - 14 (ii) under a monthly **installment payment plan**.
  - 15 (C) Authority for the county treasurer to make available to
  - 16 county taxpayers a form to be completed by a taxpayer and
  - 17 submitted to the county treasurer to:
    - 18 (i) direct the county treasurer to accept payment of the
    - 19 taxpayer's property taxes by automatic **monthly** deduction
    - 20 **during the payment period** from an account of the taxpayer
    - 21 that is held by a financial institution; and
    - 22 (ii) authorize the financial institution that holds the
    - 23 taxpayer's account to deduct monthly **during the designated**
    - 24 **payment period** the appropriate amount from the account
    - 25 and to pay that amount to the county treasurer.
  - 26 However, this clause applies only if the county fiscal body has
  - 27 adopted an ordinance under this section to allow taxpayers to
  - 28 pay property taxes by automatic **monthly** deductions **during**
  - 29 **the designated payment period** from an account of the
  - 30 taxpayer that is held by a financial institution.
  - 31 (D) Authority for the county treasurer to accept payment of the
  - 32 taxpayer's property taxes ~~under a monthly installment plan.~~ **on**
  - 33 **a monthly basis during the designated payment period**
  - 34 **either by written instrument or electronically.** However,
  - 35 this clause applies only if the county fiscal body has adopted
  - 36 an ordinance under this section to allow taxpayers to pay
  - 37 property taxes by ~~monthly installment payments under a~~
  - 38 ~~monthly installment plan.~~ **on a monthly basis during the**
  - 39 **designated payment period either by written instrument or**
  - 40 **electronically.**
  - 41 An ordinance adopted under subsection (e) (f) may include a provision
  - 42 authorizing taxpayers to make monthly ~~deductions or monthly~~

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1 ~~installment~~ payments in an amount determined by the taxpayer that is  
2 different from the amount otherwise determined by the county treasurer  
3 under subsection ~~(h)~~; (i), (j), ~~or~~ (k), **or (l)**.

4 ~~(g)~~ **(h)** If an ordinance is adopted under subsection ~~(e)~~ **(f)** to allow  
5 taxpayers to pay property taxes by automatic **monthly** deductions  
6 **during the designated payment period** from an account of the  
7 taxpayer that is held by a financial institution, the county treasurer shall  
8 provide to each county taxpayer that submits to the county treasurer the  
9 form referred to in subsection ~~(f)(2)(C)~~ **(g)(2)(C)** a statement that  
10 includes at least the following:

- 11 (1) The amount to be deducted monthly from the taxpayer's
- 12 account.
- 13 (2) **The designated payment period and** identification of the day
- 14 each month, as chosen by the taxpayer, when the deduction will
- 15 be made.
- 16 (3) A calculation of the amount to be deducted.
- 17 (4) An explanation of the manner in which property taxes for the
- 18 current year will be reconciled under subsection ~~(m)~~ **(o)** and notice
- 19 that any property tax payments for the current year made by the
- 20 taxpayer by means other than automatic deduction from the
- 21 taxpayer's account will be taken into account in the reconciliation.
- 22 (5) An explanation of the penalties that apply if there are
- 23 insufficient funds in the taxpayer's account to cover one (1) or
- 24 more automatic deductions.

25 ~~(h)~~ **(i)** This subsection applies only if the county treasurer  
26 determines that at the time the calculation under subsection ~~(g)(3)~~  
27 **(h)(3)** is made the amount of tax liability for the current year has not  
28 been determined. Subject to subsections ~~(f)~~ **and** (j) **and (k)**, the county  
29 treasurer shall do the following:

- 30 (1) Determine the following:
- 31 (A) For a parcel of real property, the most recently determined
- 32 amount of tax liability that applied to the parcel for the
- 33 preceding year.
- 34 (B) For a personal property return, the most recently
- 35 determined amount of tax liability that applied for the personal
- 36 property return for the same location for the preceding year.
- 37 (C) For distributable property, the most recently determined
- 38 amount of tax liability that applied with respect to the
- 39 statement filed by the taxpayer under IC 6-1.1-8-19 for the
- 40 preceding year.
- 41 (D) For a mobile home subject to IC 6-1.1-7, the most recently
- 42 determined amount of tax liability that applied to the mobile

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- 1 home for the preceding year.
- 2 (2) Determine the amount of the monthly ~~deduction from the~~  
 3 ~~account of the taxpayer that is held by a financial institution or the~~  
 4 ~~amount payment~~ due under a monthly ~~installment payment~~ plan  
 5 ~~in the amount determined in the last STEP of by using~~ the  
 6 following STEPS:
- 7 STEP ONE: Determine under subdivision (1) the amount of  
 8 tax liability that applied for the preceding year.
- 9 STEP TWO: Determine the quotient of:
- 10 (i) the number of property tax installments for the current  
 11 year identified in the ordinance under subsection ~~(f)(2)(A);~~  
 12 **(g)(2)(A)**; divided by
- 13 (ii) the total number of property tax installments for the  
 14 current year.
- 15 STEP THREE: Multiply the STEP ONE result by the STEP  
 16 TWO result.
- 17 STEP FOUR: Determine the quotient of:
- 18 (i) the STEP THREE result; divided by
- 19 (ii) the number of ~~monthly deductions or, in the case of~~  
 20 ~~payments under a monthly installment plan, the number of~~  
 21 ~~monthly installments. months in the designated payment~~  
 22 ~~period.~~
- 23 ~~(i)~~ **(j)** The county treasurer may determine the monthly ~~deduction or~~  
 24 ~~the amount of the monthly installment payment~~ due under a monthly  
 25 ~~installment payment~~ plan in an amount different from the amount  
 26 determined under subsection ~~(h)~~ **(i)** if the county treasurer determines  
 27 that changes in circumstances have caused the amount determined  
 28 under subsection ~~(h)~~ **(i)** to differ substantially from the tax liability  
 29 likely to be determined for the current year.
- 30 ~~(j)~~ **(k)** This subsection applies only if before an ordinance is adopted  
 31 under subsection ~~(e)~~ **(f)** the county treasurer determines to use  
 32 provisional property tax statements under IC 6-1.1-22.5 for the current  
 33 year. For purposes of determining the amount ~~of the monthly deduction~~  
 34 ~~from the account of the taxpayer that is held by a financial institution~~  
 35 ~~or the amount~~ of the taxpayer's monthly ~~installment~~ payment under a  
 36 monthly ~~installment payment~~ plan, the county treasurer shall substitute  
 37 for the tax liability that applied to the parcel for the preceding year  
 38 under subsection ~~(h)~~ **(i)** the tax liability to be indicated on the  
 39 provisional statement.
- 40 ~~(k)~~ **(l)** This subsection applies only if the county treasurer  
 41 determines that at the time the calculation under subsection ~~(g)(3)~~  
 42 **(h)(3)** is made the amount of tax liability for the current year has been

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1 determined. The amount of the ~~monthly deduction from the account of~~  
 2 ~~the taxpayer that is held by a financial institution or the amount of the~~  
 3 taxpayer's monthly ~~installment~~ payment under a monthly ~~installment~~  
 4 **payment** plan is the amount of the tax liability for the current year  
 5 payable in the installment or installments identified in the ordinance  
 6 under subsection ~~(f)(2)(A)~~ **(g)(2)(A)** divided by the number of ~~monthly~~  
 7 ~~deductions:~~ **months in the designated payment period.**

8 ~~(f)~~ **(m)** Tax liability paid under this section by automatic deduction  
 9 from an account of the taxpayer that is held by a financial institution is  
 10 not finally discharged and the person has not paid the tax until the  
 11 taxpayer's account is charged for the payment.

12 ~~(m)~~ **(n)** Penalties apply under IC 6-1.1-37-10 as specified in this  
 13 section to taxes payable ~~by automatic deduction from an account of the~~  
 14 ~~taxpayer that is held by a financial institution or by monthly installment~~  
 15 ~~payments~~ under a monthly ~~installment~~ **payment** plan under this  
 16 section.

17 ~~(n)~~ **(o)** After the last ~~monthly deduction from an account of a~~  
 18 ~~taxpayer that is held by a financial institution or last monthly~~  
 19 ~~installment~~ payment under a monthly ~~installment~~ **payment** plan under  
 20 this section for the current year has been made and after the amount of  
 21 tax liability for the current year has been determined, the county  
 22 treasurer shall issue a reconciling statement to the taxpayer. Each  
 23 reconciling statement must indicate at least the following:

24 (1) The sum of:

- 25 (A) the taxpayer's actual tax liability for the current year; plus  
 26 (B) any penalty that applies for the current year.

27 (2) The total amount paid for the current year ~~by automatic~~  
 28 ~~deductions; monthly installment payments~~ under a monthly  
 29 ~~installment~~ **payment** plan, and by means other than ~~automatic~~  
 30 ~~deductions or under a monthly installment payments:~~ **payment**  
 31 **plan.**

32 (3) If the amount under subdivision (1) exceeds the amount under  
 33 subdivision (2), the deficiency is payable by the taxpayer:

- 34 (A) as a final reconciliation of the tax liability; and  
 35 (B) not later than thirty (30) days after the date of the  
 36 reconciling statement.

37 (4) If the amount under subdivision (2) exceeds the amount under  
 38 subdivision (1), that the county treasurer will apply the excess as  
 39 a credit against the taxpayer's tax liability for the immediately  
 40 succeeding calendar year unless the taxpayer makes a claim for  
 41 refund of the excess under IC 6-1.1-26.

42 ~~(o)~~ **(p)** The county treasurer shall deposit the tax collections under

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1 this section under IC 5-13-6-3(a). The collections must remain in the  
 2 funds in which they are deposited until the county auditor makes the  
 3 distributions to the appropriate taxing units at the semiannual  
 4 settlements under IC 6-1.1-27. However, this subsection does not  
 5 prohibit a county treasurer from making an advance to a political  
 6 subdivision under IC 5-13-6-3 of a portion of the taxes collected.

7 ~~(p)~~ **(q)** IC 6-1.1-15:

8 (1) does not apply to a statement provided under subsection ~~(g)~~;  
 9 **(h)**; and

10 (2) applies to a reconciling statement issued under subsection ~~(n)~~;

11 **(o)**.

12 ~~(q)~~ **(r)** The following apply to a taxpayer that makes ~~automatic~~  
 13 ~~monthly deductions or monthly installments payments~~ under this  
 14 section:

15 (1) If a taxpayer **has approval to use a monthly payment plan**  
 16 **and** makes ~~automatic monthly deductions or timely~~ monthly  
 17 ~~installments payments~~ of property taxes in the amount  
 18 determined by the county treasurer under subsection ~~(h)~~; (i), (j),  
 19 ~~or~~ (k), **or (l)**, the taxpayer's property tax payments shall not be  
 20 considered delinquent for purposes of IC 6-1.1-37-10 and the  
 21 taxpayer is not subject to penalties under that section.

22 (2) If:

23 (A) a taxpayer makes ~~automatic monthly deductions or~~  
 24 ~~monthly installments payments~~ of property taxes in an amount  
 25 that is less than the amount determined by the county treasurer  
 26 under subsection ~~(h)~~; (i), (j), ~~or~~ (k), **or (l)**; and

27 (B) the total amount of property taxes paid by the taxpayer  
 28 under ~~automatic monthly deductions; the~~ monthly  
 29 ~~installments; payment plan~~ or any other method by the May  
 30 or November **approved monthly** due date is less than the  
 31 amount determined by the county treasurer under subsection  
 32 ~~(h)~~; (i), (j), ~~or~~ (k), **or (l)** that should have been paid by the  
 33 taxpayer ~~for by~~ the May or November **approved monthly** due  
 34 date;

35 the penalty provisions of IC 6-1.1-37-10 apply to the delinquent  
 36 property taxes.

37 ~~(r)~~ **(s)** IC 6-1.1-37-10 applies to any amounts due under a  
 38 reconciling statement issued under subsection ~~(n)~~ **(o)** that are not paid  
 39 within thirty (30) days after the date of the reconciling statement, as  
 40 required under subsection ~~(n)(3)~~; **(o)(3)**.

41 ~~(s)~~ **(t)** For purposes of IC 6-1.1-24-1(a)(1):

42 (1) property taxes to be paid ~~by automatic deduction or by~~

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1            ~~monthly installments~~ under a monthly ~~installment~~ **payment** plan  
 2            under this section before June of the current year are considered  
 3            to be the taxpayer's spring installment of property taxes; and  
 4            (2) payment on a reconciling statement issued under subsection  
 5            ~~(n)~~ **(o)** is considered to be due before the due date of the first  
 6            installment of property taxes payable in the year immediately  
 7            following the current year.

8            SECTION 6. IC 6-1.1-24-1, AS AMENDED BY P.L.113-2010,  
 9            SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10            JULY 1, 2012]: Sec. 1. (a) On or after January 1 of each calendar year  
 11            in which a tax sale will be held in a county and not later than fifty-one  
 12            (51) days after the first tax payment due date in that calendar year, the  
 13            county treasurer (or county executive, in the case of property described  
 14            in subdivision (2)) shall certify to the county auditor a list of real  
 15            property on which any of the following exist:

16            (1) In the case of real property other than real property described  
 17            in subdivision (2), any property taxes or special assessments  
 18            certified to the county auditor for collection by the county  
 19            treasurer from the prior year's spring installment or before are  
 20            delinquent as determined under IC 6-1.1-37-10 **and the**  
 21            **delinquent property tax due exceeds twenty-five dollars (\$25).**

22            (2) In the case of real property for which a county executive has  
 23            certified to the county auditor that the real property is:

- 24            (A) vacant; or
  - 25            (B) abandoned;
- 26            any property taxes or special assessments from the prior year's fall  
 27            installment or before that are delinquent as determined under  
 28            IC 6-1.1-37-10. The county executive must make a certification  
 29            under this subdivision not later than sixty-one (61) days before the  
 30            earliest date on which application for judgment and order for sale  
 31            may be made.

32            (3) Any unpaid costs are due under section 2(b) of this chapter  
 33            from a prior tax sale.

34            (b) The county auditor shall maintain a list of all real property  
 35            eligible for sale. Except as provided in section 1.2 or another provision  
 36            of this chapter, the taxpayer's property shall remain on the list. The list  
 37            must:

- 38            (1) describe the real property by parcel number and common  
 39            address, if any;
- 40            (2) for a tract or item of real property with a single owner,  
 41            indicate the name of the owner; and
- 42            (3) for a tract or item with multiple owners, indicate the name of

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- 1 at least one (1) of the owners.
- 2 (c) Except as otherwise provided in this chapter, the real property  
3 so listed is eligible for sale in the manner prescribed in this chapter.
- 4 (d) Not later than fifteen (15) days after the date of the county  
5 treasurer's certification under subsection (a), the county auditor shall  
6 mail by certified mail a copy of the list described in subsection (b) to  
7 each mortgagee who requests from the county auditor by certified mail  
8 a copy of the list. Failure of the county auditor to mail the list under  
9 this subsection does not invalidate an otherwise valid sale.
- 10 SECTION 7. IC 6-1.1-26-5 IS AMENDED TO READ AS  
11 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. (a) When a claim for  
12 refund filed under section 1 of this chapter is allowed either by the  
13 county board of commissioners, the department of local government  
14 finance, the Indiana board, or the Indiana tax court on appeal, the  
15 claimant is entitled to a refund. The amount of the refund shall equal  
16 the amount of the claim so allowed plus, with respect to claims for  
17 refund filed after December 31, 2001, interest at ~~four percent (4%)~~ **the**  
18 **rate established by the board for depositories under subsection (c)**  
19 **for each year** from the date on which the taxes were paid or payable,  
20 whichever is later, to the date of the refund. The county auditor shall,  
21 without an appropriation being required, issue a warrant to the claimant  
22 payable from the county general fund for the amount due the claimant  
23 under this section.
- 24 (b) In the June or December settlement and apportionment of taxes,  
25 or both the June and December settlement and apportionment of taxes,  
26 immediately following a refund made under this section the county  
27 auditor shall deduct the amount refunded from the gross tax collections  
28 of the taxing units for which the refunded taxes were originally paid  
29 and shall pay the amount so deducted into the general fund of the  
30 county. However, the county auditor shall make the deductions and  
31 payments required by this subsection not later than the December  
32 settlement and apportionment.
- 33 (c) **The board for depositories created by IC 5-13-12-1 shall set**  
34 **an annual interest payment rate for refunds under this section. The**  
35 **rate must be based on the interest rate being earned by local**  
36 **governments for deposits in interest bearing transaction accounts**  
37 **during the year the rate is set. Before December 15 of each year,**  
38 **the board for depositories shall submit for publication in the**  
39 **Indiana Register, under IC 4-22-7-7, a statement of the annual**  
40 **interest rate to be used under subsection (a) beginning January 1**  
41 **of the following year. The board for depositories shall also publish**  
42 **the statement on the board's Internet web site.**

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1 SECTION 8. IC 36-2-7-19, AS ADDED BY P.L.45-2010,  
 2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2012]: Sec. 19. (a) As used in this section, "fund" refers to a  
 4 county elected officials training fund established under subsection (b).

5 (b) Each county legislative body shall before July 1, 2011, establish  
 6 a county elected officials training fund. The county fiscal body shall  
 7 appropriate money from the fund.

8 (c) The fund consists of money deposited under IC 36-2-7.5-6(c)(3)  
 9 and any other sources required or permitted by law. Money in the fund  
 10 does not revert to the county general fund.

11 (d) Money in the fund shall be used solely to provide training of  
 12 county elected officials required by **IC 36-2-10-2.5**, IC 36-2-11-2.5,  
 13 IC 36-2-12-2.5, and other similar laws.

14 SECTION 9. IC 36-2-10-2.5 IS ADDED TO THE INDIANA CODE  
 15 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**  
 16 **1, 2012]: Sec. 2.5. (a) As used in this section, "training courses"**  
 17 **refers to training courses related to the office of county treasurer**  
 18 **that are developed by the Association of Indiana Counties and**  
 19 **approved by the state board of accounts.**

20 (b) **An individual elected to the office of county treasurer after**  
 21 **November 6, 2012, shall complete at least:**

22 (1) **fifteen (15) hours of training courses within one (1) year;**  
 23 **and**

24 (2) **forty (40) hours of training courses within three (3) years;**  
 25 **after beginning the county treasurer's term.**

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