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# STATE OF INDIANA

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DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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**TO: All Political Subdivisions**

**FROM: Wesley R. Bennett, Commissioner**

**RE: Changes to the Law Concerning Cancellation of Taxes, HEA 1427**

**DATE: July 12, 2019**

On June 17, 2019, the Department of Local Government Finance (“Department”) released a memorandum describing legislative changes to various local government matters, specifically House Enrolled Act 1427-2019 (“HEA 1427”). This memorandum provides supplemental guidance on the changes to the cancellation of taxes, per Section 65 of HEA 1427.

Previously, the Department was authorized by IC 6-1.1-36-7(a) to cancel property taxes, delinquencies, fees, special assessments, and penalties on real property owned by a county, municipality, township, or port authority. HEA 1427 transfers this authority to the county executive as of July 1, 2019. As of that date, the Department will no longer have authority to cancel taxes on real property owned by these local government units. Therefore, the Department will decline to take action on any such petitions to cancel taxes submitted after June 30, 2019. Any petitions received after that date will be returned to the county auditor.

The Department recommends that the county executive consult with counsel as to the appropriate procedures for the cancellation of taxes. Per IC 6-1.1-36-7(a), as modified by HEA 1427, a petition signed by the county auditor, assessor, and treasurer is still required. The Department suggests that, in addition to the petition, proof of ownership by the local unit (e.g., a deed) and proof of tax liability (e.g., a tax bill) also be provided to the county executive.

For Marion County, please note that the “county executive” authorized to cancel taxes IC 6-1.1-36-7 is the Marion County Board of Commissioners (“Marion County Board”); that is, the Auditor, Assessor, and Treasurer of Marion County. It appears duplicative for the Marion County Board to sign a petition when it is the very entity that would also receive the petition to cancel taxes. Therefore, the Department believes a petition signed by all members of the Marion County Board constitutes an order to cancel taxes. Alternatively, the Marion County Board may forego a petition and issue an order.

Questions about this memorandum may be directed to Deputy General Counsel David Marusarz at (317) 233-6770 or [dmarusarz@dlgf.in.gov](mailto:dmarusarz@dlgf.in.gov).