TO: County Treasurers and County Auditors
FROM: Courtney L. Schaafsma, Commissioner
RE: Legislation Affecting Waiver of Penalties
DATE: September 1, 2017

Please note that this memorandum is for informational purposes only and is not a substitute for reading the law.

On April 28, 2017, Governor Holcomb signed into law House Enrolled Act 1450-2017 (“HEA 1450”). Section 21 of HEA 1450, found in the Indiana Code as new section IC 6-1.1-37-15, allows a county auditor and county treasurer to implement a policy to waive, negotiate, or settle penalties accrued on delinquent property taxes imposed on the county. The county fiscal body must approve the policy.

Pursuant to new section IC 6-1.1-37-15, an agreement waiving, negotiating, or settling delinquent penalties must be in writing and must be among the county auditor, county treasurer, and the taxpayer (or the taxpayer’s representative). Once the agreement is made, the county auditor must provide a copy of the agreement to the taxpayer or the taxpayer’s representative.

A county auditor who waives, negotiates, or settles penalties under this new section shall document the action in the manner prescribed by the Department of Local Government Finance (“Department”). The Department hereby provides the Delinquent Property Tax Penalties Agreement Template (“Template”), attached to this memorandum.

This Template should be used in entering into an agreement. The county may modify the agreement template if doing so would better suit its needs. A county template, however, must still include the following:

- Description of the tax bills past due for which a penalty was imposed.
- Description of the manner in which delinquent tax penalties are to be waived, negotiated, or settled, as applicable.
- Affirmation that the county has a policy pursuant to IC 6-1.1-37-15 that has been approved by the county fiscal body, including a reference to the resolution or fiscal body action approving the policy.
- Statement that the county auditor will provide a signed copy of the agreement to the taxpayer or taxpayer’s representative.
The county auditor must also provide all documentation related to a waiver, negotiation, or settlement of penalties under IC 6-1.1-37-15 to the State Board of Accounts upon request.

Section 21 of HEA 1450 is effective July 1, 2017.

**Contact Information**

Questions may be directed to Deputy General Counsel David Marusarz at (317) 233-6770 or dmarusarz@dlgf.in.gov.