

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6012
BILL NUMBER: HB 1103

NOTE PREPARED: Oct 1, 2010
BILL AMENDED:

SUBJECT: Tax Sales.

FIRST AUTHOR: Rep. Moseley
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill applies statewide the authority currently applicable only in Lake County of the county auditor to remove a parcel from a tax sale if the county treasurer and the taxpayer agree to an arrangement for the payment of the delinquent taxes.

The bill establishes a period during which a taxpayer who fails to make a payment under the arrangement may not enter into another arrangement.

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Summary:* There could be minimal expenditure savings to counties with delinquency payment arrangements. Those counties could have reduced printing, postage and publishing costs related to tax sale notices.

Background: As of September 2010, the Lake County Treasurer's Office had a delinquent payment agreement with 620 properties that otherwise would be eligible for tax sale. Typical payment agreements range from six to twelve installments.

Explanation of Local Revenues: *Summary:* Any agreements that result from this provision would allow

properties to remain on county tax rolls. When a property goes to tax sale, payment of property taxes has generally stopped or been delinquent. Properties under a repayment agreement would remain on the rolls instead of being removed due to a tax sale. Agreements would allow tax revenue from those properties to continue to be collected and distributed to various local units of government relying on property taxes as a source of revenue.

Reestablished Agreement- The bill would also allow counties to reestablish a payment agreement with a delinquent property owner if failure to pay ended the original agreement. Currently, Lake County cannot reenter into an agreement with a delinquent owner that fails to meet the terms of an original agreement.

Background: The following table illustrates a statewide history of tax parcels available for sale in prior years.

CY	Number of Parcels Offered for Tax Sale	Number of Counties with Tax Sales During Year
2000	11,447	67
2001	10,353	71
2002	9,633	73
2003	6,818	31
2004	5,980	46
2005	8,435	64
2006	16,356	71
2007	16,380	47
2008	6,694	39
2009	22,806	10
2010*	4,794	22
Total	119,696	
*Through September 2010		

State Agencies Affected:

Local Agencies Affected: Counties.

Information Sources: Tim Rushenberg, President, SRI 842-5818; Lake County Treasurer, 219-755-3760.

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