



Reprinted
March 29, 2013

ENGROSSED HOUSE BILL No. 1132

DIGEST OF HB 1132 (Updated March 28, 2013 2:30 pm - DI 97)

Citations Affected: IC 32-29; IC 36-7; noncode.

Synopsis: Property matters. Allows the resources of the Indianapolis housing trust fund to be used to fund programs considered appropriate to meet housing and community development needs of certain families. Requires a party filing a praecipe for a sheriff's sale to pay delinquent sewer liens on the property under certain circumstances. Requires the interim study committee on insurance to study certificates of release of liens on mortgaged property during the 2013 interim.

Effective: July 1, 2013.

Burton, Speedy, Pryor
(SENATE SPONSOR — HOLDMAN)

January 10, 2013, read first time and referred to Committee on Financial Institutions.
February 14, 2013, amended, reported — Do Pass.
February 18, 2013, read second time, ordered engrossed.
February 19, 2013, engrossed. Read third time, passed. Yeas 92, nays 0.

SENATE ACTION

February 25, 2013, read first time and referred to Committee on Insurance.
March 21, 2013, amended, reported favorably — Do Pass.
March 28, 2013, read second time, amended, ordered engrossed.

C
O
P
Y

EH 1132—LS 7048/DI 69+



Reprinted
March 29, 2013

First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1132

A BILL FOR AN ACT to amend the Indiana Code concerning property.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 32-29-7-8.5, AS ADDED BY P.L.73-2010,
2 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2013]: Sec. 8.5. (a) Before the date of a sheriff's sale of
4 property under section 3(c) of this chapter, the party that filed the
5 praecipe for the sheriff's sale shall pay the following:
6 (1) If a certificate of sale issued under IC 6-1.1-24 is outstanding:
7 (A) the amount necessary for redemption of the property under
8 IC 6-1.1-25; and
9 (B) all delinquent property taxes, special assessments,
10 penalties, and interest that:
11 (i) are not covered by the redemption referred to in clause
12 (A); and
13 (ii) are due and owing on the property on the date of the
14 sheriff's sale.
15 (2) If subdivision (1) does not apply, all delinquent property taxes,
16 **sewer liens described in IC 36-9-23-32**, special assessments,
17 penalties, and interest that are due and owing on the property on

EH 1132—LS 7048/DI 69+



C
O
P
Y

1 the date of the sheriff's sale.

2 (b) If the payments required under subsection (a) are not made in

3 full by the date of the sale, the sheriff:

4 (1) shall cancel the sheriff's sale; and

5 (2) may conduct the sheriff's sale only:

6 (A) upon evidence that the payments required under

7 subsection (a) have been made in full; and

8 (B) after a subsequent praecipe is filed, costs are paid, and the

9 sheriff's sale is advertised under this chapter.

10 SECTION 2. IC 36-7-15.1-35.5, AS AMENDED BY P.L.211-2007,

11 SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

12 JULY 1, 2013]: Sec. 35.5. (a) The general assembly finds the

13 following:

14 (1) Federal law permits the sale of a multiple family housing

15 project that is or has been covered, in whole or in part, by a

16 contract for project based assistance from the United States

17 Department of Housing and Urban Development without

18 requiring the continuation of that project based assistance.

19 (2) Such a sale displaces the former residents of a multiple family

20 housing project described in subdivision (1) and increases the

21 shortage of safe and affordable housing for persons of low and

22 moderate income within the county.

23 (3) The displacement of families and individuals from affordable

24 housing requires increased expenditures of public funds for crime

25 prevention, public health and safety, fire and accident prevention,

26 and other public services and facilities.

27 (4) The establishment of a supplemental housing program under

28 this section will do the following:

29 (A) Benefit the health, safety, morals, and welfare of the

30 county and the state.

31 (B) Serve to protect and increase property values in the county

32 and the state.

33 (C) Benefit persons of low and moderate income by making

34 affordable housing available to them.

35 (5) The establishment of a supplemental housing program under

36 this section and sections 32 through 35 of this chapter is:

37 (A) necessary in the public interest; and

38 (B) a public use and purpose for which public money may be

39 spent and private property may be acquired.

40 (b) In addition to its other powers with respect to a housing program

41 under sections 32 through 35 of this chapter, the commission may

42 establish a supplemental housing program. Except as provided by this

COPY



1 section, the commission has the same powers and duties with respect
 2 to the supplemental housing program that the commission has under
 3 sections 32 through 35 of this chapter with respect to the housing
 4 program.

5 (c) One (1) allocation area may be established for the supplemental
 6 housing program. The commission is not required to make the findings
 7 required under section 34(5) through 34(8) of this chapter with respect
 8 to the allocation area. However, the commission must find that the
 9 property contained within the boundaries of the allocation area consists
 10 solely of one (1) or more multiple family housing projects that are or
 11 have been covered, in whole or in part, by a contract for project based
 12 assistance from the United States Department of Housing and Urban
 13 Development or have been owned at one time by a public housing
 14 agency. The allocation area need not be contiguous. The definition of
 15 "base assessed value" set forth in section 35(a) of this chapter applies
 16 to the special fund established under section 26(b) of this chapter for
 17 the allocation area.

18 (d) The special fund established under section 26(b) of this chapter
 19 for the allocation area established under this section may be used only
 20 for the following purposes:

21 (1) Subject to subdivision (2), on January 1 and July 1 of each
 22 year the balance of the special fund shall be transferred to the
 23 housing trust fund established under subsection (e).

24 (2) The commission may provide each taxpayer in the allocation
 25 area a credit for property tax replacement in the manner provided
 26 by section 35(b)(7) of this chapter. Transfers made under
 27 subdivision (1) shall be reduced by the amount necessary to
 28 provide the credit.

29 (e) The commission shall, by resolution, establish a housing trust
 30 fund to be administered, subject to the terms of the resolution, by:

31 (1) the housing division of the consolidated city; or

32 (2) the department, division, or agency that has been designated
 33 to perform the public housing function by an ordinance adopted
 34 under IC 36-7-18-1.

35 (f) The housing trust fund consists of:

36 (1) amounts transferred to the fund under subsection (d);

37 (2) payments in lieu of taxes deposited in the fund under
 38 IC 36-3-2-11;

39 (3) gifts and grants to the fund;

40 (4) investment income earned on the fund's assets;

41 (5) money deposited in the fund under IC 36-2-7-10(j); and

42 (6) other funds from sources approved by the commission.

C
O
P
Y



1 (g) The commission shall, by resolution, establish uses for the
2 housing trust fund. However, the uses must be limited to:

3 (1) providing financial assistance to those individuals and
4 families whose income is at or below eighty percent (80%) of the
5 county's median income for individuals and families, respectively,
6 to enable those individuals and families to purchase or lease
7 residential units within the county;

8 (2) paying expenses of administering the fund;

9 (3) making grants, loans, and loan guarantees for the
10 development, rehabilitation, or financing of affordable housing
11 for individuals and families whose income is at or below eighty
12 percent (80%) of the county's median income for individuals and
13 families, respectively, including the elderly, persons with
14 disabilities, and homeless individuals and families; ~~and~~

15 (4) providing technical assistance to nonprofit developers of
16 affordable housing; **and**

17 **(5) funding other programs considered appropriate to meet**
18 **the affordable housing and community development needs of**
19 **lower income families (as defined in IC 5-20-4-5) and very low**
20 **income families (as defined in IC 5-20-4-6), including lower**
21 **income elderly individuals, individuals with disabilities, and**
22 **homeless individuals.**

23 (h) At least fifty percent (50%) of the dollars allocated for
24 production, rehabilitation, or purchase of housing must be used for
25 units to be occupied by individuals and families whose income is at or
26 below fifty percent (50%) of the county's area median income for
27 individuals and families, respectively.

28 (i) The low income housing trust fund advisory committee is
29 established. The low-income housing trust fund advisory committee
30 consists of eleven (11) members. The membership of the low income
31 housing trust fund advisory committee is comprised of:

32 (1) one (1) member appointed by the mayor, to represent the
33 interests of low income families;

34 (2) one (1) member appointed by the mayor, to represent the
35 interests of owners of subsidized, multifamily housing
36 communities;

37 (3) one (1) member appointed by the mayor, to represent the
38 interests of banks and other financial institutions;

39 (4) one (1) member appointed by the mayor, of the department of
40 metropolitan development;

41 (5) three (3) members representing the community at large
42 appointed by the commission, from nominations submitted to the

C
o
p
y



1 commission as a result of a general call for nominations from
 2 neighborhood associations, community based organizations, and
 3 other social services agencies;

4 (6) one (1) member appointed by and representing the Coalition
 5 for Homeless Intervention and Prevention of Greater Indianapolis;

6 (7) one (1) member appointed by and representing the Local
 7 Initiatives Support Corporation;

8 (8) one (1) member appointed by and representing the
 9 Indianapolis Coalition for Neighborhood Development; and

10 (9) one (1) member appointed by and representing the
 11 Indianapolis Neighborhood Housing Partnership.

12 Members of the low income housing trust fund advisory committee
 13 serve for a term of four (4) years, and are eligible for reappointment. If
 14 a vacancy exists on the committee, the appointing authority who
 15 appointed the former member whose position has become vacant shall
 16 appoint an individual to fill the vacancy. A committee member may be
 17 removed at any time by the appointing authority who appointed the
 18 committee member.

19 (j) The low income housing trust fund advisory committee shall
 20 make recommendations to the commission regarding:

21 (1) the development of policies and procedures for the uses of the
 22 low income housing trust fund; and

23 (2) long term sources of capital for the low income housing trust
 24 fund, including:

25 (A) revenue from:

26 (i) development ordinances;

27 (ii) fees; or

28 (iii) taxes;

29 (B) financial market based income;

30 (C) revenue derived from private sources; and

31 (D) revenue generated from grants, gifts, donations, or income
 32 in any other form, from a:

33 (i) government program;

34 (ii) foundation; or

35 (iii) corporation.

36 (k) The county treasurer shall invest the money in the fund not
 37 currently needed to meet the obligations of the fund in the same
 38 manner as other public funds may be invested.

39 SECTION 3. [EFFECTIVE JULY 1, 2013] (a) **The interim study**
 40 **committee on insurance established by IC 2-5-33.3-2 shall, during**
 41 **the 2013 interim of the general assembly:**

42 (1) **study the topic of certificates of release of liens on**

C
O
P
Y



1 **mortgaged property; and**
2 **(2) report the committee's findings and any recommendations**
3 **to the legislative council in an electronic format under**
4 **IC 5-14-6 not later than November 1, 2013.**
5 **(b) This SECTION expires January 1, 2014.**

C
o
p
y



COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1132, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 32-29-6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. As used in this chapter, "payoff statement" means a **written** statement of the amount of:

- (1) the unpaid balance of a loan secured by a mortgage, including principal, interest, and any other charges properly due under or secured by the mortgage; and
- (2) interest on a per day basis for the unpaid balance."

Page 2, line 3, delete "not received an objection" and insert "**received, before executing and recording the certificate of release, written consent**".

Page 2, line 8, delete "The" and insert "**If the**".

Page 2, line 9, after "insurance company" insert "**has received the written consent required under subsection (a) from a person described in subsection (a)(1) or (a)(2), the title insurance company, officer of the title insurance company, or agent of the title insurance company**".

Page 3, delete lines 24 through 37, begin a new paragraph and insert:

"SECTION 3. IC 36-7-15.1-35.5, AS AMENDED BY P.L.211-2007, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 35.5. (a) The general assembly finds the following:

- (1) Federal law permits the sale of a multiple family housing project that is or has been covered, in whole or in part, by a contract for project based assistance from the United States Department of Housing and Urban Development without requiring the continuation of that project based assistance.
- (2) Such a sale displaces the former residents of a multiple family housing project described in subdivision (1) and increases the shortage of safe and affordable housing for persons of low and moderate income within the county.
- (3) The displacement of families and individuals from affordable housing requires increased expenditures of public funds for crime



C
O
P
Y

prevention, public health and safety, fire and accident prevention, and other public services and facilities.

(4) The establishment of a supplemental housing program under this section will do the following:

(A) Benefit the health, safety, morals, and welfare of the county and the state.

(B) Serve to protect and increase property values in the county and the state.

(C) Benefit persons of low and moderate income by making affordable housing available to them.

(5) The establishment of a supplemental housing program under this section and sections 32 through 35 of this chapter is:

(A) necessary in the public interest; and

(B) a public use and purpose for which public money may be spent and private property may be acquired.

(b) In addition to its other powers with respect to a housing program under sections 32 through 35 of this chapter, the commission may establish a supplemental housing program. Except as provided by this section, the commission has the same powers and duties with respect to the supplemental housing program that the commission has under sections 32 through 35 of this chapter with respect to the housing program.

(c) One (1) allocation area may be established for the supplemental housing program. The commission is not required to make the findings required under section 34(5) through 34(8) of this chapter with respect to the allocation area. However, the commission must find that the property contained within the boundaries of the allocation area consists solely of one (1) or more multiple family housing projects that are or have been covered, in whole or in part, by a contract for project based assistance from the United States Department of Housing and Urban Development or have been owned at one time by a public housing agency. The allocation area need not be contiguous. The definition of "base assessed value" set forth in section 35(a) of this chapter applies to the special fund established under section 26(b) of this chapter for the allocation area.

(d) The special fund established under section 26(b) of this chapter for the allocation area established under this section may be used only for the following purposes:

(1) Subject to subdivision (2), on January 1 and July 1 of each year the balance of the special fund shall be transferred to the housing trust fund established under subsection (e).

(2) The commission may provide each taxpayer in the allocation

C
O
P
Y



area a credit for property tax replacement in the manner provided by section 35(b)(7) of this chapter. Transfers made under subdivision (1) shall be reduced by the amount necessary to provide the credit.

(e) The commission shall, by resolution, establish a housing trust fund to be administered, subject to the terms of the resolution, by:

- (1) the housing division of the consolidated city; or
- (2) the department, division, or agency that has been designated to perform the public housing function by an ordinance adopted under IC 36-7-18-1.

(f) The housing trust fund consists of:

- (1) amounts transferred to the fund under subsection (d);
- (2) payments in lieu of taxes deposited in the fund under IC 36-3-2-11;
- (3) gifts and grants to the fund;
- (4) investment income earned on the fund's assets;
- (5) money deposited in the fund under IC 36-2-7-10(j); and
- (6) other funds from sources approved by the commission.

(g) The commission shall, by resolution, establish uses for the housing trust fund. However, the uses must be limited to:

- (1) providing financial assistance to those individuals and families whose income is at or below eighty percent (80%) of the county's median income for individuals and families, respectively, to enable those individuals and families to purchase or lease residential units within the county;
- (2) paying expenses of administering the fund;
- (3) making grants, loans, and loan guarantees for the development, rehabilitation, or financing of affordable housing for individuals and families whose income is at or below eighty percent (80%) of the county's median income for individuals and families, respectively, including the elderly, persons with disabilities, and homeless individuals and families; ~~and~~
- (4) providing technical assistance to nonprofit developers of affordable housing; **and**
- (5) funding other programs considered appropriate to meet the affordable housing and community development needs of lower income families (as defined in IC 5-20-4-5) and very low income families (as defined in IC 5-20-4-6), including lower income elderly individuals, individuals with disabilities, and homeless individuals.**

(h) At least fifty percent (50%) of the dollars allocated for production, rehabilitation, or purchase of housing must be used for

C
O
P
Y



units to be occupied by individuals and families whose income is at or below fifty percent (50%) of the county's area median income for individuals and families, respectively.

(i) The low income housing trust fund advisory committee is established. The low-income housing trust fund advisory committee consists of eleven (11) members. The membership of the low income housing trust fund advisory committee is comprised of:

- (1) one (1) member appointed by the mayor, to represent the interests of low income families;
- (2) one (1) member appointed by the mayor, to represent the interests of owners of subsidized, multifamily housing communities;
- (3) one (1) member appointed by the mayor, to represent the interests of banks and other financial institutions;
- (4) one (1) member appointed by the mayor, of the department of metropolitan development;
- (5) three (3) members representing the community at large appointed by the commission, from nominations submitted to the commission as a result of a general call for nominations from neighborhood associations, community based organizations, and other social services agencies;
- (6) one (1) member appointed by and representing the Coalition for Homeless Intervention and Prevention of Greater Indianapolis;
- (7) one (1) member appointed by and representing the Local Initiatives Support Corporation;
- (8) one (1) member appointed by and representing the Indianapolis Coalition for Neighborhood Development; and
- (9) one (1) member appointed by and representing the Indianapolis Neighborhood Housing Partnership.

Members of the low income housing trust fund advisory committee serve for a term of four (4) years, and are eligible for reappointment. If a vacancy exists on the committee, the appointing authority who appointed the former member whose position has become vacant shall appoint an individual to fill the vacancy. A committee member may be removed at any time by the appointing authority who appointed the committee member.

(j) The low income housing trust fund advisory committee shall make recommendations to the commission regarding:

- (1) the development of policies and procedures for the uses of the low income housing trust fund; and
- (2) long term sources of capital for the low income housing trust fund, including:



C
o
p
y

- (A) revenue from:
 - (i) development ordinances;
 - (ii) fees; or
 - (iii) taxes;
- (B) financial market based income;
- (C) revenue derived from private sources; and
- (D) revenue generated from grants, gifts, donations, or income in any other form, from a:
 - (i) government program;
 - (ii) foundation; or
 - (iii) corporation.

(k) The county treasurer shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1132 as introduced.)

BURTON, Chair

Committee Vote: yeas 10, nays 0.



COMMITTEE REPORT

Madam President: The Senate Committee on Insurance, to which was referred House Bill No. 1132, 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 1, delete lines 1 through 17.

Delete page 2.

Page 3, delete lines 1 through 36.

Page 7, after line 23, begin a new paragraph and insert:

"SECTION 2. [EFFECTIVE JULY 1, 2013] (a) **The interim study committee on insurance established by IC 2-5-33.3-2 shall, during the 2013 interim of the general assembly:**

- (1) study the topic of certificates of release of liens on mortgaged property; and
- (2) report the committee's findings and any recommendations to the legislative council in an electronic format under IC 5-14-6 not later than November 1, 2013.



COPY

(b) This SECTION expires January 1, 2014."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1132 as printed February 15, 2013.)

PAUL, Chairperson

Committee Vote: Yeas 7, Nays 0.

SENATE MOTION

Madam President: I move that Engrossed House Bill 1132 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 32-29-7-8.5, AS ADDED BY P.L.73-2010, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8.5. (a) Before the date of a sheriff's sale of property under section 3(c) of this chapter, the party that filed the praecipe for the sheriff's sale shall pay the following:

- (1) If a certificate of sale issued under IC 6-1.1-24 is outstanding:
 - (A) the amount necessary for redemption of the property under IC 6-1.1-25; and
 - (B) all delinquent property taxes, special assessments, penalties, and interest that:
 - (i) are not covered by the redemption referred to in clause (A); and
 - (ii) are due and owing on the property on the date of the sheriff's sale.

(2) If subdivision (1) does not apply, all delinquent property taxes, **sewer liens described in IC 36-9-23-32**, special assessments, penalties, and interest that are due and owing on the property on the date of the sheriff's sale.

(b) If the payments required under subsection (a) are not made in full by the date of the sale, the sheriff:

- (1) shall cancel the sheriff's sale; and
- (2) may conduct the sheriff's sale only:
 - (A) upon evidence that the payments required under

COPY



subsection (a) have been made in full; and
(B) after a subsequent praecipe is filed, costs are paid, and the
sheriff's sale is advertised under this chapter.".

Renumber all SECTIONS consecutively.

(Reference is to EHB 1132 as printed March 22, 2013.)

HOLDMAN

C
o
p
y

