

# SENATE BILL No. 386

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1; IC 36-1-8-20; IC 36-7-38.

**Synopsis:** Land banks. Makes various changes to the statutes governing land banks that concern certain land bank powers, objectives, and duties. Provides (except in a county containing a consolidated city) that only a majority of directors appointed to the board of a land bank must be residents of the county, second class city, or third class city. Provides, in the case of a land bank created by an interlocal agreement, that only a majority of the members of the board of the land bank must be residents of the applicable eligible units that establish the land bank. Provides that a land bank may establish advisory committees composed of specified community members to consult with and advise the land bank on: (1) properties within the territory of the land bank that are imposing the greatest harm on residents and neighborhoods; (2) resident and neighborhood priorities for new uses of land bank properties; and (3) options for potential transferees of land bank properties. Provides, subject to certain limitations, that a land bank may use an interlocal agreement to establish processes to improve the quality of title and marketability of property the land bank owns to extinguish any liens that exist on the property. Provides that, if a land bank enters into an interlocal agreement, any employees of an eligible unit who may be contracted to provide staffing services to the land bank pursuant to the interlocal agreement retain their status as public employees of the eligible unit. Allows a county fiscal body in a county in which there is at least one land bank (except in a county containing a consolidated city) to adopt an ordinance requiring every person who wishes to participate in a tax sale as a bidder to pay a neighborhood investment fee of not more than  
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**Effective:** July 1, 2022.

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January 11, 2022, read first time and referred to Committee on Local Government.

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Digest Continued

\$150. Provides that, if a county fiscal body adopts an ordinance authorizing the imposition of a neighborhood investment fee, the county treasurer shall establish the neighborhood investment fee fund (fund) and specifies the manner in which neighborhood investment fees collected are to be distributed from the fund to land banks. Allows a county fiscal body in a county in which there is at least one land bank (except in a county containing a consolidated city) to adopt an ordinance to impose, in addition to the 5% penalty for delinquent real property taxes, an additional penalty of not more than 3% for a total penalty that may not exceed 8% of the amount of delinquent real property taxes (additional penalty ordinance). Provides that delinquent tax payments attributable to real property used as a principal place of residence and receiving the homestead standard deduction for the most recent assessment date are exempt from an additional penalty ordinance. Specifies the manner in which the amounts collected attributable to an additional penalty imposed on delinquent real property taxes are to be distributed to land banks.



Introduced

Second Regular Session of the 122nd General Assembly (2022)

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 2021 Regular Session of the General Assembly.

# SENATE BILL No. 386



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

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

1 SECTION 1. IC 6-1.1-24-5.7, AS ADDED BY P.L.66-2021,  
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2022]: Sec. 5.7. (a) The county treasurer shall require each  
4 person who will be bidding at the tax sale to sign a statement in a form  
5 substantially similar to the following:  
6 "Indiana law prohibits a person who owes delinquent taxes,  
7 special assessments, penalties, interest, or costs directly  
8 attributable to a prior tax sale of a tract or item of real property  
9 listed under IC 6-1.1-24-1 from bidding on or purchasing tracts or  
10 items of real property at a tax sale. I hereby affirm under the  
11 penalties for perjury that I do not owe delinquent taxes, special  
12 assessments, penalties, interest, costs directly attributable to a  
13 prior tax sale, amounts from a final adjudication in favor of a  
14 political subdivision, any civil penalties imposed for the violation  
15 of a building code or county ordinance, or any civil penalties



1 imposed by a county health department. I also affirm that I am not  
2 purchasing tracts or items of real property on behalf of or as an  
3 agent for a person who is prohibited from purchasing at a tax sale.  
4 Further, I hereby acknowledge that any successful bid I make in  
5 violation of this statement is subject to forfeiture. In the event of  
6 forfeiture, the amount by which my bid exceeds the minimum bid  
7 on the tract or item or real property under IC 6-1.1-24-5(e), if any,  
8 shall be applied to the delinquent taxes, special assessments,  
9 penalties, interest, costs, judgments, or civil penalties I owe, and  
10 a certificate will be issued to the county executive. I further  
11 acknowledge that a person who knowingly or intentionally  
12 provides false information on this affidavit commits perjury, a  
13 Level 6 felony."

14 (b) If a person purchases real property that the person was not  
15 eligible to purchase under section 5.1, 5.3, or 5.4 of this chapter, the  
16 sale of the real property is subject to forfeiture. If the county treasurer  
17 determines or is notified not more than forty-five (45) days after the  
18 date of the sale that the sale of the real property should be forfeited, the  
19 county treasurer shall:

20 (1) not more than five (5) days after the county treasurer is  
21 notified, notify the person in writing by first class mail that the  
22 sale is subject to forfeiture if the person does not pay the amounts  
23 the person owes within fifteen (15) days of the date the written  
24 notice is mailed;

25 (2) if the person does not meet the conditions described in  
26 subdivision (1) within fifteen (15) days after the written notice is  
27 mailed, apply the surplus amount of the person's bid, if any, to the  
28 delinquent taxes, special assessments, penalties, and interest on  
29 the real property;

30 (3) remit the amounts owed from a final adjudication or civil  
31 penalties in favor of a political subdivision to the political  
32 subdivision;

33 (4) notify the county auditor that the sale has been forfeited; and

34 (5) file with the county recorder a certification identifying the  
35 forfeited sale that includes:

36 (A) the date of the sale;

37 (B) the name of the buyer;

38 (C) the property identification number of the real property;

39 (D) the real property's legal description; and

40 (E) a statement that the sale has been forfeited and is null and  
41 void because the buyer was not eligible to purchase the real  
42 property.



1 Upon being notified that a sale has been forfeited, the county auditor  
2 shall issue a certificate to the county executive under section 6 of this  
3 chapter.

4 (c) A county treasurer may decline to forfeit a sale under this section  
5 because of inadvertence or mistake, lack of actual knowledge by the  
6 bidder, substantial harm to other parties with interests in the real  
7 property, or other substantial reasons. If the treasurer declines to forfeit  
8 a sale, the treasurer shall:

- 9 (1) prepare a written statement explaining the reasons for  
10 declining to forfeit the sale;  
11 (2) retain the written statement as an official record; and  
12 (3) file with the county recorder a certification that includes:  
13 (A) the date of the sale;  
14 (B) the name of the buyer;  
15 (C) the property identification number of the real property;  
16 (D) the real property's legal description; and  
17 (E) a statement that the sale has not been forfeited and is valid.

18 (d) If a sale is forfeited under this section and the tract or item of  
19 real property is redeemed from the sale, the county auditor shall deposit  
20 the amount of the redemption into the county general fund and notify  
21 the county executive of the redemption. Upon being notified of the  
22 redemption, the county executive shall surrender the certificate to the  
23 county auditor.

24 (e) If a county treasurer does not take action under subsection (b)  
25 within forty-five (45) days of the date the county treasurer determines  
26 or is notified that a sale should be forfeited, the person is deemed to be  
27 an eligible purchaser for that sale of that real property.

28 (f) If a tax deed is issued for real property under IC 6-1.1-25-4, this  
29 section cannot be invoked to invalidate, rescind, or set aside the tax  
30 deed.

31 **(g) If a county has adopted an ordinance under section 16.5 of**  
32 **this chapter authorizing the imposition of a neighborhood**  
33 **investment fee to participate in a tax sale as a bidder, the**  
34 **neighborhood investment fee is not refundable if a sale of real**  
35 **property is forfeited under this section.**

36 SECTION 2. IC 6-1.1-24-16.5 IS ADDED TO THE INDIANA  
37 CODE AS A NEW SECTION TO READ AS FOLLOWS  
38 [EFFECTIVE JULY 1, 2022]: **Sec. 16.5. (a) This section applies if**  
39 **there is at least one (1) land bank established in a county, except in**  
40 **a county containing a consolidated city.**

41 **(b) As used in this section, "land bank" has the meaning set**  
42 **forth in IC 36-7-38-1(3).**



1 (c) The county fiscal body may adopt an ordinance requiring  
 2 every person who wishes to participate in a tax sale as a bidder to  
 3 pay a neighborhood investment fee of not more than one hundred  
 4 fifty dollars (\$150).

5 (d) A county fiscal body that has adopted an ordinance under  
 6 subsection (c) that is in effect in the county may rescind the  
 7 ordinance adopted under subsection (c).

8 (e) An ordinance adopted under this section is effective on  
 9 January 1 of the year immediately following the year in which the  
 10 ordinance is adopted.

11 (f) If a county fiscal body adopts an ordinance to require the  
 12 payment of a neighborhood investment fee, the payment of the  
 13 neighborhood investment fee is in addition to any other fees or  
 14 charges a county may impose for registering to bid at a tax sale.  
 15 The neighborhood investment fee is not refundable if a sale of real  
 16 property is forfeited under section 5.7 of this chapter.

17 (g) The county treasurer shall deposit the money into the  
 18 neighborhood investment fee fund established under  
 19 IC 36-1-8-20(d) not later than thirty (30) days after the conclusion  
 20 of the tax sale.

21 SECTION 3. IC 6-1.1-37-10, AS AMENDED BY P.L.95-2021,  
 22 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23 JULY 1, 2022]: Sec. 10. (a) If property taxes due and payable are not  
 24 completely paid on or before the due date, a penalty shall be added to  
 25 the unpaid portion in the year of the initial delinquency. The penalty is  
 26 equal to an amount determined as follows:

27 (1) If:

28 (A) subject to subsection (g), the real property taxes due and  
 29 payable are completely paid on or before the date thirty (30)  
 30 days after the due date; and

31 (B) the taxpayer is not liable for:

32 (i) delinquent property taxes first due and payable in a  
 33 previous tax payment for the same parcel; or

34 (ii) a penalty that is owed from a previous tax payment for  
 35 the same parcel;

36 the amount of the penalty is equal to five percent (5%) of the  
 37 amount of delinquent taxes. **However, for a county in which an**  
 38 **ordinance adopted under section 10.2 of this chapter is in**  
 39 **effect in the county, the amount of the penalty imposed under**  
 40 **this subsection is equal to five percent (5%) plus the**  
 41 **additional amount set forth in the ordinance adopted under**  
 42 **section 10.2 of this chapter.**



- 1 (2) If:  
 2 (A) subject to subsection (g), personal property taxes due and  
 3 payable are not completely paid on or before the date thirty  
 4 (30) days after the due date; and  
 5 (B) the taxpayer is not liable for:  
 6 (i) delinquent property taxes first due and payable in a  
 7 previous tax payment for a personal property tax return for  
 8 property in the same taxing district; or  
 9 (ii) a penalty that is owed from a previous tax payment;  
 10 the amount of the penalty is equal to five percent (5%) of the  
 11 amount of delinquent taxes.  
 12 (3) If subdivision (1) or (2) does not apply, the amount of the  
 13 penalty is equal to ten percent (10%) of the amount due and  
 14 payable as of the tax date.
- 15 A payment received under this subsection shall be applied first to the  
 16 delinquent tax amount and then to any associated penalties. **In the case**  
 17 **of a county in which an ordinance adopted under section 10.2 of**  
 18 **this chapter is in effect in the county, the additional penalty**  
 19 **amount collected under subdivision (1) shall be distributed as**  
 20 **provided in section 10.2(g) of this chapter.**
- 21 (b) With respect to property taxes due in two (2) equal installments  
 22 under IC 6-1.1-22-9(a), on the day immediately following the due dates  
 23 of the first and second installments in each year following the year of  
 24 the initial delinquency, an additional penalty equal to ten percent (10%)  
 25 of any taxes remaining unpaid shall be added. With respect to property  
 26 taxes due in installments under IC 6-1.1-22-9.5, an additional penalty  
 27 equal to ten percent (10%) of any taxes remaining unpaid shall be  
 28 added on the day immediately following each date that succeeds the  
 29 last installment due date by:  
 30 (1) six (6) months; or  
 31 (2) a multiple of six (6) months.
- 32 (c) The penalties under subsection (b) are imposed only on the  
 33 principal amount of the delinquent taxes.
- 34 (d) If the department of local government finance determines that  
 35 an emergency has occurred which precludes the mailing of the tax  
 36 statement in any county at the time set forth in IC 6-1.1-22-8.1, the  
 37 department shall establish by order a new date on which the installment  
 38 of taxes in that county is due and no installment is delinquent if paid by  
 39 the date so established.
- 40 (e) If any due date falls on a Saturday, a Sunday, a national legal  
 41 holiday recognized by the federal government, or a statewide holiday,  
 42 the act that must be performed by that date is timely if performed by



1 the next succeeding day that is not a Saturday, a Sunday, or one (1) of  
2 those holidays.

3 (f) Subject to subsections (h) and (i), a payment to the county  
4 treasurer is considered to have been paid by the due date if the payment  
5 is:

6 (1) received on or before the due date by the county treasurer or  
7 a collecting agent appointed by the county treasurer;

8 (2) deposited in United States first class mail:

9 (A) properly addressed to the principal office of the county  
10 treasurer;

11 (B) with sufficient postage; and

12 (C) postmarked by the United States Postal Service as mailed  
13 on or before the due date;

14 (3) deposited with a nationally recognized express parcel carrier  
15 and is:

16 (A) properly addressed to the principal office of the county  
17 treasurer; and

18 (B) verified by the express parcel carrier as:

19 (i) paid in full for final delivery; and

20 (ii) received by the express parcel carrier on or before the  
21 due date;

22 (4) deposited to be mailed through United States registered mail,  
23 United States certified mail, or United States certificate of  
24 mailing:

25 (A) properly addressed to the principal office of the county  
26 treasurer;

27 (B) with sufficient postage; and

28 (C) with a date of registration, certification, or certificate, as  
29 evidenced by any record authenticated by the United States  
30 Postal Service, on or before the due date;

31 (5) deposited in United States first class mail:

32 (A) properly addressed to the principal office of the county  
33 treasurer;

34 (B) with sufficient metered postage from a meter postage  
35 provider approved by the United States Postal Service; and

36 (C) with a postage meter stamp affixed to the envelope that  
37 must bear the actual date the postage meter stamp was affixed  
38 to the envelope, which must be on or before the due date;

39 and the payment is received by the county treasurer not later than  
40 five (5) business days after the due date; or

41 (6) made by an electronic funds transfer and the taxpayer's bank  
42 account is charged on or before the due date.





1 (g) As used in this subsection, "initial penalty period" means the  
 2 period after the due date and not later than thirty (30) days after the due  
 3 date. A person who makes a payment within the initial penalty period  
 4 is subject to a penalty equal to five percent (5%) of the amount of the  
 5 delinquent taxes as provided in subsection (a)(1) or (a)(2). **However,**  
 6 **in the case of a county in which an ordinance adopted under**  
 7 **section 10.2 of this chapter is in effect in the county, the amount of**  
 8 **the penalty imposed under subsection (a)(1) is equal to five percent**  
 9 **(5%) plus the additional amount set forth in the ordinance adopted**  
 10 **under section 10.2 of this chapter.** A payment to the county treasurer  
 11 is considered to have been paid within the initial penalty period and  
 12 subject to the five percent (5%) penalty **or, in the case of subsection**  
 13 **(a)(1), five percent (5%) plus the additional amount set forth in the**  
 14 **ordinance adopted under section 10.2 of this chapter** if the payment  
 15 is:

- 16 (1) received within the penalty period by the county treasurer or  
 17 a collecting agent appointed by the county treasurer;  
 18 (2) deposited in United States first class mail:  
 19 (A) properly addressed to the principal office of the county  
 20 treasurer;  
 21 (B) with sufficient postage; and  
 22 (C) postmarked by the United States Postal Service as mailed  
 23 on or before the thirtieth day after the due date;  
 24 (3) deposited with a nationally recognized express parcel carrier  
 25 and is:  
 26 (A) properly addressed to the principal office of the county  
 27 treasurer; and  
 28 (B) verified by the express parcel carrier as:  
 29 (i) paid in full for final delivery; and  
 30 (ii) received by the express parcel carrier on or before the  
 31 thirtieth day after the due date;  
 32 (4) deposited to be mailed through United States registered mail,  
 33 United States certified mail, or United States certificate of  
 34 mailing:  
 35 (A) properly addressed to the principal office of the county  
 36 treasurer;  
 37 (B) with sufficient postage; and  
 38 (C) with a date of registration, certification, or certificate, as  
 39 evidenced by any record authenticated by the United States  
 40 Postal Service, on or before the thirtieth day after the due date;  
 41 or  
 42 (5) deposited in United States first class mail:



- 1 (A) properly addressed to the principal office of the county  
2 treasurer;
- 3 (B) with sufficient metered postage from a meter postage  
4 provider approved by the United States Postal Service; and
- 5 (C) with a postage meter stamp affixed to the envelope that  
6 must bear the actual date the postage meter stamp was affixed  
7 to the envelope, which must be on or before the thirtieth day  
8 after the due date;
- 9 and the payment is received by the county treasurer not later than  
10 five (5) business days after the thirtieth day after the due date.
- 11 (h) As used in this subsection, "initial penalty period" has the  
12 meaning set forth in subsection (g). If a payment is mailed through the  
13 United States mail and is physically received after the due date or after  
14 the initial penalty period without a legible correct postmark, the person  
15 who mailed the payment is considered to have made the payment:
- 16 (1) on or before the due date if the person can show by reasonable  
17 evidence that the payment was deposited in the United States mail  
18 on or before the due date; or
- 19 (2) within the initial penalty period, if the person can show by  
20 reasonable evidence that the payment was deposited in the United  
21 States mail on or before the thirtieth day after the due date.
- 22 (i) As used in this subsection, "initial penalty period" has the  
23 meaning set forth in subsection (g). This section applies if a payment  
24 is sent via the United States mail or a nationally recognized express  
25 parcel carrier but is not received by the designated recipient, the person  
26 who sent the payment is considered to have made the payment:
- 27 (1) on or before the due date if the person:
- 28 (A) can show by reasonable evidence that the payment was  
29 deposited in the United States mail, or with the express parcel  
30 carrier, on or before the due date; and
- 31 (B) makes a duplicate payment within thirty (30) days after the  
32 date the person is notified that the payment was not received;  
33 or
- 34 (2) within the initial penalty period, if the person:
- 35 (A) can show by reasonable evidence that the payment was  
36 deposited in the United States mail, or with the express parcel  
37 carrier, on or before the thirtieth day after the due date; and
- 38 (B) makes a duplicate payment within thirty (30) days after the  
39 date the person is notified that the payment was not received.
- 40 SECTION 4. IC 6-1.1-37-10.2 IS ADDED TO THE INDIANA  
41 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
42 [EFFECTIVE JULY 1, 2022]: **Sec. 10.2. (a) This section applies if**



1 there is at least one (1) land bank established in a county, except in  
2 a county containing a consolidated city.

3 (b) As used in this section, "land bank" has the meaning set  
4 forth in IC 36-7-38-1(3).

5 (c) Subject to subsection (d), a county fiscal body may adopt an  
6 ordinance to impose, in addition to the five percent (5%) penalty  
7 set forth in section 10(a)(1) of this chapter for delinquent real  
8 property taxes, an additional penalty of not more than three  
9 percent (3%) for a total penalty that may not exceed eight percent  
10 (8%) of the amount of delinquent taxes.

11 (d) The county fiscal body may not impose the additional  
12 penalty described in subsection (c) on delinquent real property tax  
13 payments that are attributable to real property used as a principal  
14 place of residence and receiving a homestead standard deduction  
15 under IC 6-1.1-12-37 for the most recent assessment date.

16 (e) A county fiscal body that has adopted an ordinance under  
17 subsection (c) that is in effect in the county may rescind the  
18 ordinance adopted under subsection (c).

19 (f) An ordinance adopted under this section is effective on  
20 January 1 of the year immediately following the year in which the  
21 ordinance is adopted.

22 (g) Notwithstanding section 12 of this chapter, IC 6-1.1-22-9(f),  
23 or any other law, if an ordinance adopted under subsection (c) is in  
24 effect in a county, the county treasurer shall do the following:

25 (1) In the case of a county in which there is only one (1) land  
26 bank, quarterly distribute the additional penalty authorized  
27 by this section to the land bank.

28 (2) In the case of a county in which there is more than one (1)  
29 land bank, quarterly distribute the additional penalty  
30 authorized by this section to each land bank in an amount  
31 proportional to the population of the territory of each land  
32 bank as it bears to the total population in the county.

33 SECTION 5. IC 36-1-8-20 IS ADDED TO THE INDIANA CODE  
34 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
35 1, 2022]: **Sec. 20. (a)** This section applies to a county, except to a  
36 county containing a consolidated city, if the county fiscal body  
37 adopts an ordinance under IC 6-1.1-24-16.5 to require the payment  
38 of a neighborhood investment fee to participate as a bidder in a tax  
39 sale.

40 (b) As used in this section, "fund" refers to the neighborhood  
41 investment fee fund established under subsection (d).

42 (c) As used in this section, "land bank" has the meaning set



1       **forth in IC 36-7-38-1(3).**

2       **(d) The county treasurer shall establish a neighborhood**  
 3 **investment fee fund in the county treasury for the purpose of**  
 4 **accumulating money from the collection of neighborhood**  
 5 **investment fees for distribution to the land bank.**

6       **(e) The fund consists of deposits of neighborhood investment**  
 7 **fees collected by the county treasurer.**

8       **(f) The county treasurer shall administer the fund.**

9       **(g) Money in the fund that is not currently needed to meet the**  
 10 **obligations of the fund may be invested in the same manner as**  
 11 **other public funds may be invested. Interest earned on the**  
 12 **investment of money in the fund becomes part of the fund.**

13       **(h) Expenses of administering the fund shall be paid from**  
 14 **money in the fund.**

15       **(i) The county treasurer shall distribute money from the fund to**  
 16 **the land bank without appropriation by the fiscal body of the**  
 17 **county in accordance with this section.**

18       **(j) The county treasurer shall distribute the proceeds collected**  
 19 **from the neighborhood investment fee semiannually to a land**  
 20 **bank.**

21       **(k) If there is more than one (1) land bank established within a**  
 22 **county, the county treasurer shall semiannually distribute the**  
 23 **proceeds collected from the neighborhood investment fee to a land**  
 24 **bank in an amount proportional to the population of the territory**  
 25 **of each land bank as it bears to the total population in the county.**

26       **(l) Money in the fund at the end of the year does not revert to**  
 27 **the county general fund.**

28       SECTION 6. IC 36-7-38-1, AS AMENDED BY P.L.26-2020,  
 29 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JULY 1, 2022]: Sec. 1. The following definitions apply throughout this  
 31 chapter:

32       (1) "Distressed real property" includes real property in a neglected  
 33 or unmarketable condition.

34       (2) "Eligible unit" means:

35           (A) a county;

36           (B) a consolidated city;

37           (C) a second class city; or

38           (D) a third class city;

39       to which IC 36-7-9 applies.

40       (3) "Land bank" means an entity established under section 2 of  
 41 this chapter.

42       (4) "Person" means an individual, a corporation, a limited liability



1 company, a partnership, or other legal entity.  
 2 **(5) "Vacant real property" has the meaning set forth in**  
 3 **IC 36-7-36-5.**  
 4 SECTION 7. IC 36-7-38-2, AS AMENDED BY P.L.26-2020,  
 5 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2022]: Sec. 2. (a) The legislative body of an eligible unit may  
 7 adopt an ordinance:  
 8 (1) establishing a body corporate and politic; or  
 9 (2) directing the executive of the eligible unit to organize a  
 10 nonprofit corporation under IC 23-17;  
 11 as an independent instrumentality exercising essential governmental  
 12 functions.  
 13 (b) The legislative bodies of two (2) or more eligible units within a  
 14 single county or within two (2) or more contiguous counties may enter  
 15 into an interlocal agreement under IC 36-1-7:  
 16 (1) establishing a body corporate and politic; or  
 17 (2) directing the executive of one (1) of the eligible units entering  
 18 into the interlocal agreement to organize a nonprofit corporation  
 19 under IC 23-17;  
 20 as an independent instrumentality exercising essential governmental  
 21 functions.  
 22 (c) The primary purpose of a land bank established under subsection  
 23 (a) or (b) is to manage and improve the marketability of **vacant real**  
 24 **property and** distressed real property located in the territory of the  
 25 land bank.  
 26 (d) An ordinance or interlocal agreement establishing a land bank  
 27 must specify:  
 28 (1) The name of the land bank.  
 29 (2) The number of board members, subject to section 4 of this  
 30 chapter.  
 31 (e) The territory of a land bank established under subsection (a) is:  
 32 (1) in the case of an eligible unit that is a municipality, the  
 33 territory of the municipality; or  
 34 (2) in the case of an eligible unit that is a county, all the territory  
 35 of the county, except for the territory of any municipality in the  
 36 county that has established another land bank.  
 37 (f) The territory of a land bank established under subsection (b) is  
 38 the territory of all the eligible units that have established the land bank,  
 39 except for the territory of any municipality that has established another  
 40 land bank under subsection (a) or (b).  
 41 SECTION 8. IC 36-7-38-4.5, AS ADDED BY P.L.26-2020,  
 42 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2022]: Sec. 4.5. (a) This section applies to the board of a land  
2 bank established under section 2(b) of this chapter.

3 (b) The interlocal agreement providing for the establishment of the  
4 land bank must specify:

5 (1) subject to section 4(a) of this chapter, the number of directors  
6 of the board of the land bank;

7 (2) any directors that are to serve as ex officio directors of the  
8 board; and

9 (3) for each director of the board that is to be appointed, the  
10 appointing authority.

11 **(c) The interlocal agreement must also specify that a majority**  
12 **of directors appointed to the board of the land bank must be**  
13 **residents of the applicable eligible units that establish the land**  
14 **bank under section 2(b) of this chapter.**

15 SECTION 9. IC 36-7-38-5, AS ADDED BY P.L.211-2016,  
16 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
17 JULY 1, 2022]: Sec. 5. (a) This section applies to the board of a county  
18 land bank established by a county that does not have a consolidated  
19 city.

20 (b) The board of a land bank to which this section applies is  
21 comprised of the following:

22 (1) A director appointed by the county treasurer. ~~A director~~  
23 ~~appointed under this subdivision must be a resident of the county.~~

24 (2) A director appointed by the county auditor. ~~A director~~  
25 ~~appointed under this subdivision must be a resident of the county.~~

26 (3) Five (5) directors respectively appointed by the executives of  
27 the five (5) municipalities in the county with the five (5) largest  
28 populations, as determined by the most recent federal decennial  
29 census. ~~A director appointed under this subdivision must reside~~  
30 ~~in the municipality of the appointing authority that appoints the~~  
31 ~~director.~~

32 (4) At most two (2) additional directors appointed, as applicable,  
33 in the manner and subject to the requirements set forth in the land  
34 bank's bylaws.

35 **(c) A majority of the directors appointed under subsection (b)**  
36 **to the board of a land bank must be residents of the county or the**  
37 **municipality.**

38 ~~(e)~~ **(d)** The terms of the initial directors of a land bank to which this  
39 section applies are equal to:

40 (1) the remainder of the calendar year in which the land bank is  
41 established; plus

42 (2) a number of additional years equal to:



- 1 (A) one (1) calendar year, for:
- 2 (i) the director appointed under subsection (b)(1);
- 3 (ii) the director appointed under subsection (b)(2); and
- 4 (iii) the director appointed under subsection (b)(3) by the
- 5 executive of the municipality in the county that has the
- 6 largest population;
- 7 (B) two (2) calendar years, for directors appointed under
- 8 subsection (b)(3) by the executives of the municipalities that
- 9 have the second through the fourth largest populations in the
- 10 county; and
- 11 (C) three (3) calendar years, for:
- 12 (i) the director appointed under subsection (b)(3) by the
- 13 executive of the municipality that has the fifth largest
- 14 population in the county; and
- 15 (ii) any directors appointed under subsection (b)(4).

16 SECTION 10. IC 36-7-38-7, AS ADDED BY P.L.211-2016,  
 17 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 JULY 1, 2022]: Sec. 7. (a) This section applies to the board of a land  
 19 bank established by a second class city.

20 (b) The board of a land bank to which this section applies is  
 21 comprised of the following:

- 22 (1) Three (3) directors appointed by the executive of the second
- 23 class city. ~~A director appointed under this subdivision must be a~~
- 24 ~~resident of the second class city.~~
- 25 (2) Three (3) directors appointed by the legislative body of the
- 26 second class city. ~~A director appointed under this subdivision~~
- 27 ~~must be a resident of the second class city.~~
- 28 (3) A director appointed by the county treasurer of the county in
- 29 which the second class city is located, or the county treasurer of
- 30 the county in which most residents of the second class city reside,
- 31 if the second class city is located in more than one (1) county. ~~A~~
- 32 ~~director appointed under this subdivision must be a resident of the~~
- 33 ~~second class city.~~
- 34 (4) At most two (2) additional directors appointed, as applicable,
- 35 in the manner and subject to the requirements set forth in the land
- 36 bank's bylaws.

37 **(c) A majority of the directors appointed under subsection (b)**  
 38 **to the board of a land bank must be residents of the second class**  
 39 **city.**

40 ~~(e)~~ **(d)** The terms of the initial directors of a land bank to which this  
 41 section applies are equal to:

- 42 (1) the remainder of the calendar year in which the land bank is



1 established; plus  
2 (2) a number of additional years equal to:  
3 (A) one (1) calendar year, for directors appointed under  
4 subsection (b)(1);  
5 (B) two (2) calendar years, for directors appointed under  
6 subsection (b)(2); and  
7 (C) three (3) calendar years, for directors appointed under  
8 subsection (b)(3) or (b)(4).  
9 SECTION 11. IC 36-7-38-7.5, AS ADDED BY P.L.110-2017,  
10 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
11 JULY 1, 2022]: Sec. 7.5. (a) This section applies to the board of a land  
12 bank established by a third class city.  
13 (b) The board of a land bank to which this section applies is  
14 comprised of the following:  
15 (1) Three (3) directors appointed by the executive of the third  
16 class city. ~~A director appointed under this subdivision must be a~~  
17 ~~resident of the third class city.~~  
18 (2) Three (3) directors appointed by the legislative body of the  
19 third class city. ~~A director appointed under this subdivision must~~  
20 ~~be a resident of the third class city.~~  
21 (3) A director appointed by the county treasurer of the county in  
22 which the third class city is located, or the county treasurer of the  
23 county in which most residents of the third class city reside, if the  
24 third class city is located in more than one (1) county. ~~A director~~  
25 ~~appointed under this subdivision must be a resident of the third~~  
26 ~~class city.~~  
27 (4) At most two (2) additional directors appointed, as applicable,  
28 in the manner and subject to the requirements set forth in the land  
29 bank's bylaws.  
30 **(c) A majority of the directors appointed under subsection (b)**  
31 **to the board of a land bank must be residents of the third class city.**  
32 ~~(c)~~ **(d)** The terms of the initial directors of a land bank to which this  
33 section applies are equal to:  
34 (1) the remainder of the calendar year in which the land bank is  
35 established; plus  
36 (2) a number of additional years equal to:  
37 (A) one (1) calendar year, for directors appointed under  
38 subsection (b)(1);  
39 (B) two (2) calendar years, for directors appointed under  
40 subsection (b)(2); and  
41 (C) three (3) calendar years, for directors appointed under  
42 subsection (b)(3) or (b)(4).





1 SECTION 12. IC 36-7-38-7.7 IS ADDED TO THE INDIANA  
 2 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 3 [EFFECTIVE JULY 1, 2022]: **Sec. 7.7. (a) A land bank may establish**  
 4 **one (1) or more advisory committees to consult with and advise the**  
 5 **land bank on:**

- 6 (1) **properties within the territory of the land bank that are**  
 7 **imposing the greatest harm on residents and neighborhoods;**  
 8 (2) **resident and neighborhood priorities for new uses of land**  
 9 **bank properties; and**  
 10 (3) **options for potential transferees of land bank properties.**

11 (b) **As appropriate to the location of the real property of the**  
 12 **land bank and if a land bank elects to establish an advisory**  
 13 **committee under this section, the membership of the advisory**  
 14 **community shall include but is not limited to individuals from**  
 15 **formal and informal neighborhood specific community**  
 16 **associations, residents' associations, faith communities, community**  
 17 **development corporations, and anchor institutions.**

18 SECTION 13. IC 36-7-38-8, AS ADDED BY P.L.211-2016,  
 19 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20 JULY 1, 2022]: Sec. 8. Except as otherwise provided in this chapter,  
 21 a land bank is granted all powers necessary, convenient, or appropriate  
 22 to carry out and effectuate the land bank's public and corporate  
 23 purposes, which include the power to do the following:

- 24 (1) Sue or be sued in the land bank's own name.  
 25 (2) Enter into contracts.  
 26 (3) Establish accounts with financial institutions.  
 27 (4) **Acquire by:**  
 28 (A) **purchase;**  
 29 (B) **exchange;**  
 30 (C) **gift;**  
 31 (D) **donation;**  
 32 (E) **grant;**  
 33 (F) **lease; or**  
 34 (G) **any combination of the methods listed in clauses (A)**  
 35 **through (F);**

36 **any real or personal property or interest in property needed**  
 37 **to carry out the mission of the land bank.**

- 38 ~~(4)~~ (5) **Acquire, lease, improve, repair, renovate, and dispose of**  
 39 **property.**  
 40 ~~(5)~~ (6) **Borrow money, including the ability to issue bonds.**  
 41 ~~(6)~~ (7) **Pledge collateral.**  
 42 ~~(7)~~ (8) **Make investments.**



1           (8) **(9)** Hire employees **and other appropriate staff**, including an  
2 executive director. **In accordance with section 18 of this**  
3 **chapter, a land bank may determine the qualifications and fix**  
4 **the compensation and benefits provided for employees, other**  
5 **staff, and the executive director.**

6           (9) **(10)** Procure insurance.

7           SECTION 14. IC 36-7-38-9, AS ADDED BY P.L.211-2016,  
8 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
9 JULY 1, 2022]: Sec. 9. (a) A land bank shall endeavor to acquire a  
10 diverse portfolio of properties to enable the land bank to dispose of  
11 diverse properties in diverse real estate markets in the county or  
12 municipal territory that the land bank serves and, thereby, ~~generate~~  
13 ~~revenue for the land bank in a sustainable manner.~~ **put the properties**  
14 **back to productive use, improve property conditions, contribute to**  
15 **local and regional neighborhood stabilization efforts, expand**  
16 **opportunities for development, and have a positive impact on the**  
17 **local tax base.** A land bank shall acquire property for the purpose of  
18 supporting the mission of the land bank.

19           (b) A land bank's priorities concerning the disposition of properties  
20 from the land bank must support the mission of the land bank, which  
21 includes the sale or transfer of properties:

- 22           (1) for redevelopment that will act as a catalyst for further  
23 development;
- 24           (2) that support a comprehensive development plan or strategic  
25 plan for neighborhood revitalization;
- 26           (3) that reduce ~~blight~~ **the number of blighted properties** in the  
27 community;
- 28           (4) that revitalize or stabilize neighborhoods;
- 29           (5) that will be returned to productive, tax paying status;
- 30           (6) that will be returned to productive uses, including  
31 development of side lots, green spaces, and gardens;
- 32           (7) that are available for immediate ownership or occupancy  
33 without a need for substantial rehabilitation;
- 34           (8) that will be used for affordable housing; or
- 35           (9) that will generate operating support for the functions of a land  
36 bank.

37           SECTION 15. IC 36-7-38-10, AS ADDED BY P.L.211-2016,  
38 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
39 JULY 1, 2022]: Sec. 10. (a) A land bank shall do the following:

- 40           (1) Maintain an inventory of real property held by the land bank.
- 41           (2) Develop policies, guidelines, and procedures for the  
42 acquisition, redevelopment, and disposition of property by and



1 from the land bank. The policies, guidelines, and procedures  
 2 developed under this subdivision must be formulated in plain  
 3 language with the objective of being clearly understood.

4 (3) Make the information described in subdivisions (1) and (2)  
 5 available for inspection:

6 (A) at the offices of the land bank during regular business  
 7 hours; and

8 (B) on the land bank's Internet web site.

9 (4) Coordinate the land bank's activities with any land use plans  
 10 that affect real property held by the land bank.

11 (b) If real property held by a county land bank is located in the  
 12 territory of a municipality of the county, the county land bank shall  
 13 offer to convey the real property to the municipality before the county  
 14 land bank offers, or accepts an offer, to convey the real property to any  
 15 other individual or entity. An offer to convey real property made by a  
 16 county land bank to a municipality under this ~~section~~ **subsection**  
 17 expires sixty (60) days after the county land bank makes the offer,  
 18 unless the county land bank and the municipality agree to another  
 19 period.

20 **(c) This subsection applies to a land bank created pursuant to an**  
 21 **interlocal agreement under section 2(b) of this chapter that is**  
 22 **composed of two (2) or more contiguous counties. If real property**  
 23 **held by a land bank composed of two (2) or more contiguous**  
 24 **counties is located in the territory of a municipality of a county**  
 25 **that is a party to the interlocal agreement, the land bank shall offer**  
 26 **to convey the real property to the municipality before the land**  
 27 **bank offers, or accepts an offer, to convey the real property to any**  
 28 **other individual or entity. An offer to convey real property made**  
 29 **by a land bank composed of two (2) or more counties to a**  
 30 **municipality under this subsection expires sixty (60) days after the**  
 31 **land bank makes the offer, unless the land bank and the**  
 32 **municipality agree to another period.**

33 SECTION 16. IC 36-7-38-11, AS ADDED BY P.L.211-2016,  
 34 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35 JULY 1, 2022]: Sec. 11. (a) A land bank may:

36 (1) enter into an interlocal agreement under IC 36-1-7 with  
 37 another governmental entity, **including, subject to subsection**  
 38 **(b), the establishment of processes to improve the quality of**  
 39 **title and marketability of property the land bank owns to**  
 40 **extinguish any liens that exist on the property;** or

41 (2) otherwise contract with another governmental entity in Indiana  
 42 to perform services for the governmental entity.



1           **(b) The following are exempt from the scope of an interlocal**  
 2 **agreement described in subsection (a)(1) to extinguish liens that**  
 3 **exist on a property the land bank owns:**

4           **(1) A lien granted priority under federal law.**

5           **(2) A lien of the state.**

6           **(3) Any valid easements, covenants, declarations, or deed**  
 7 **restrictions that encumber the property as shown in the**  
 8 **public record.**

9           SECTION 17. IC 36-7-38-18, AS ADDED BY P.L.211-2016,  
 10 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11 JULY 1, 2022]: Sec. 18. (a) Employees of a land bank are not  
 12 employees of the eligible unit that established the land bank.

13           **(b) If a land bank enters into an interlocal agreement under**  
 14 **IC 36-1-7 as provided in section 11 of this chapter, any employees**  
 15 **of an eligible unit who may be contracted to provide staffing**  
 16 **services to the land bank pursuant to the interlocal agreement**  
 17 **retain their status as public employees of the eligible unit. Nothing**  
 18 **in this subsection shall be construed to alter or otherwise affect the**  
 19 **public employee's status as an employee of the eligible unit.**

20           ~~(b)~~ (c) The board of a land bank may elect by resolution to provide  
 21 programs of group health insurance for the land bank's employees and  
 22 retired employees as provided under IC 5-10-8-2.6.

23           ~~(c)~~ (d) The board of a land bank may elect by resolution to provide  
 24 retirement and disability benefits for employees, which may be by  
 25 means of participation in the public employees' retirement fund as  
 26 provided under IC 5-10.3-6.

