



COUNTY OPTION PROPERTY TAX DEFERRAL LOAN AGREEMENT

State Form 57889 (9-25)
Prescribed by the Department of Local Government Finance

FOR COUNTY USE ONLY			
ORDINANCE #	COUNTY	TOWNSHIP	YEAR

Indiana Code § 6-1.1-52 allows a qualified individual in a county that has adopted an ordinance establishing a homestead property tax deferral program to apply for and receive a deferral of their homestead property tax liability, as specified in that chapter. To obtain a deferral of the homestead property tax liability for a given calendar year, a qualified individual must:

- (1) File a completed County Option Property Tax Deferral Loan Application (SF 57886) with the county auditor on or before January 15 of the calendar year in which the property taxes are first due and payable;
- (2) Enter into a Tax Deferral Loan Agreement with the county auditor before March 1 of the calendar year in which the property taxes are first due and payable.

INSTRUCTIONS: Complete all sections fully. Must be filed with the county auditor before March 1 of the calendar year in which the property taxes to be deferred are first due and payable. A completed County Option Property Tax Deferral Loan Application (SF 57886) must be on file.

This agreement is made and entered into this ____ day of _____, _____ by and between the _____ County Auditor ("County Auditor"), acting on behalf of _____ County and _____ (the "Qualified Individual"). It pertains to the ____ Pay ____ tax year.

RECITALS

- WHEREAS, Indiana Code § 6-1.1-52 allows a qualified individual in a county that has adopted an ordinance establishing a homestead property tax deferral program to apply for and receive a deferral of their homestead property tax liability by submitting a Tax Deferral Loan Application and executing a Tax Deferral Loan Agreement with the County Auditor;
- WHEREAS, The Qualified Individual seeks to defer payment of their homestead property tax liability and has submitted a Tax Deferral Loan Application to the County Auditor; and
- WHEREAS, The County Auditor has reviewed the Tax Deferral Loan Application and has determined that the Qualified Individual is eligible for deferral of homestead property taxes in the amount of \$_____.

DESCRIPTION OF PROPERTY

This agreement applies to the homestead property tax liability associated with the homestead described in the Qualified Individual's Tax Deferral Loan Application, commonly described as (a description or address of property that accurately identifies the homestead):

NOW THEREFORE, in consideration of the property tax deferral granted by _____ County, the County Auditor and the Qualified Individual agree as follows:

1. The Qualified Individual's homestead property taxes in the amount of \$_____ for ____ Pay ____ are deferred until the delayed due date provided for under Indiana Code § 6-1.1-52. Subject to paragraphs 3 and 4, amounts deferred under Indiana Code § 6-1.1-52 may continue to accumulate until the delayed due date under that chapter.
2. The county treasurer may accrue interest on a Qualified Individual's deferred tax balance on a monthly basis not to exceed four percent (4%) beginning on the date of the deferral.

3. No deferral of homestead property tax liability shall be granted if the total amount of the Qualified Individual's deferred taxes, not including interest, plus the total amount of all other liens on the homestead property plus the outstanding principal on all mortgages on the homestead property exceed one hundred percent (100%) of the homestead's assessed value.
4. The Qualified Individual may not defer more than ten thousand dollars (\$10,000) of the Qualified Individual's homestead property tax liability over consecutive years.
5. The Qualified Individual shall not pay the Qualified Individual's remaining non-deferred payments by escrow.
6. Deferred property taxes and accrued interest may be paid at any time on or before the delayed due date under Indiana Code § 6-1.1-52-10. Payment of deferred property taxes after the delayed due date shall be collected in the same manner as delinquent property taxes.
7. Deferred property taxes are due and payable one hundred eighty (180) days after the date on which a deferral termination even occurs. Subject to paragraph 8, a deferral termination event occurs on the earlier of the following dates:
 - a. The first date on which the qualified individual who had a qualified interest in the homestead when the property taxes were deferred:
 - i. ceases to use the homestead as the individual's principal place of residence as provided in section 4(3) of this chapter; or
 - ii. no longer has a qualified interest in the homestead.
 - b. The date of the death of the Qualified Individual who had a qualified interest in the homestead when property taxes were deferred.
8. This provision applies only to a surviving spouse who was not a Qualified Individual on the date on which property taxes were deferred. If a deceased individual was a Qualified Individual on the date on which property taxes were deferred, the deceased individual's surviving spouse shall be treated after the deceased individual's death as if the surviving spouse had been a Qualified Individual on the date on which property taxes were deferred if:
 - a. the homestead was the surviving spouse's principal place of residence when the deceased Qualified Individual died; and
 - b. the surviving spouse has a qualified interest in the homestead not later than the later of:
 - i. the date of the deceased individual's death; or
 - ii. the date on which the estate of the deceased individual transfers any part of the ownership of the homestead from the estate.
9. The Qualified Individual shall submit the Notice to Auditor of Potential Property Tax Deferral Termination Event (SF 57887) form to the County Auditor in the county where the homestead is located whenever the Qualified Individual:
 - a. ceases to use the homestead as the Qualified Individual's principal place of residence as provided in Indiana Code § 6-1.1-52-4(3);
 - b. ceases to have a qualified interest in the homestead as provided in Indiana Code § 6-1.1-52-5; or
 - c. changes the Qualified Individual's qualified interest in the homestead.

The County Auditor shall review the information filed under this paragraph to determine whether a deferral termination event has occurred.

10. Whenever a surviving spouse becomes a Qualified Individual, the person responsible for paying the property taxes on the homestead shall notify the County Auditor in the county where the homestead is located. The County Auditor shall review the information filed under this paragraph to determine whether a deferral termination event has occurred.
11. If, as the result of the filing of information with the County Auditor or on the County Auditor's own motion, the County Auditor determines that a deferral termination event has occurred, the County Auditor shall notify the county treasurer, the county recorder, and the Department of Local Government Finance using the Auditor's Notice of Determination of Property Tax Deferral Termination Event (SF 57888) form. The County Auditor shall give written notice of each determination under Indiana Code § 6-1.1-52 to the Qualified Individuals for the affected homestead.

12. The County Auditor shall provide for the recording of the deferral in the county recorder's office specifying the amount of property tax deferred. Any recording fees required by the county recorder to file the application shall be paid by the Qualified Individual. The County Auditor shall also notify the county treasurer and the Department of Local Government Finance of the amount deferred.
13. The recording of the deferral in the county recorder's office shall constitute a lien on the homestead property.

Signature of County Auditor

Date (*month, day, year*)

Under penalties of perjury, I state that, to the best of my knowledge, the information in this agreement is true, correct, and complete.

Signature of Qualified Individual

Date (*month, day, year*)