



February 20, 2015

SENATE BILL No. 436

DIGEST OF SB 436 (Updated February 17, 2015 2:35 pm - DI 73)

Citations Affected: IC 6-1.1; IC 36-7; noncode.

Synopsis: State and local taxation. Provides that if a taxpayer has personal property subject to assessment in more than one township in a county or has personal property that is subject to assessment and that is located in two or more taxing districts within the same township, the taxpayer shall file a single tax return with the county assessor. Provides a property tax exemption for taxpayers with less than \$20,000 of total business personal property in a county. Removes the requirement in current law that such an exemption is effective in a county only if adopted by the county income tax council. Provides that the soil productivity factors used for the March 1, 2011, assessment of agricultural land must be used for the March 1, 2015, assessment date. Specifies that new soil productivity factors shall be used for assessment dates occurring after March 1, 2015. Provides that for purposes of the March 1, 2015, assessment date, the statewide agricultural land base rate value per acre used to determine the value of agricultural land is \$2,050 per acre (the base rate used for the 2014 assessment date). Urges the legislative council to assign to a study committee the issue of alternative means of agricultural land assessment. Specifies that for purposes of property tax assessment, certain land is considered to be devoted to agricultural use. Specifies that "agricultural use" includes certain uses defined as agricultural uses for purposes of planning and zoning law. Removes the provision specifying that the statute governing the assessment of agricultural land does not apply to land purchased for residential uses. Specifies the method of valuing certain
(Continued next page)

Effective: Upon passage; January 1, 2015 (retroactive); March 1, 2015 (retroactive); July 1, 2015.

Hershman, Broden

January 12, 2015, read first time and referred to Committee on Tax & Fiscal Policy.
February 19, 2015, amended, reported favorably — Do Pass.

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special purpose properties and sale-leaseback properties. Provides that the market value-in-use of special purpose properties and sale-leaseback properties is equal to the value derived from applying the cost approach. Provides that the basement of a dwelling or other building that is situated in a special flood hazard area as designated by the Federal Emergency Management Agency is exempt from property taxation if: (1) the basement floor level has been elevated to mitigate the risk of flooding; and (2) as a result, the basement is rendered unusable as living space. Specifies that, to be eligible for a homestead deduction for property that an individual is buying under contract, the contract must obligate the owner to convey title to the individual upon completion of all of the individual's contract obligations. Provides that on the form forwarded by the assessor to the county auditor and the property tax assessment board of appeals (county board) after a preliminary informal meeting with a taxpayer, the assessor must attest that the assessor described to the taxpayer the taxpayer's right to a review of the issues by the county board and the taxpayer's right to appeal to the Indiana board of tax review and to the Indiana tax court. Specifies that in the case of a change occurring after February 28, 2015, in the classification of real property, the assessor has the burden of proving that the change is correct in any review or appeal heard by the county board and in any appeals taken to the Indiana board of tax review or to the Indiana tax court. Authorizes the department of local government finance (DLGF) to increase the maximum property tax levy of Brown Township, Jackson Township, and Blue River Township in Hancock County if the township submits a petition to the DLGF requesting the increase. Specifies the maximum increase that may be granted. Permits Brown County to impose an additional property tax levy of \$478,115 each year in 2016 and 2017. Increases the maximum amount of tax increment that may be captured by a certified technology park, in the case of a certified technology park that is operating jointly by multiple redevelopment commissions. Does the following in the case of a certified technology park that is operating jointly by multiple redevelopment commissions: (1) Increases the total maximum amount of tax increment that may be captured by the certified technology park. (2) Authorizes a party to the agreement to allocate a part of the maximum amount that may be deposited in the party's incremental tax financing fund to one or more other parties to the agreement.



February 20, 2015

First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 436

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

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

1 SECTION 1. IC 6-1.1-3-1, AS AMENDED BY P.L.146-2008,
2 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 1. (a) Except as provided in subsection (c),
4 personal property which is owned by a person who is a resident of this
5 state shall be assessed at the place where the owner resides on the
6 assessment date of the year for which the assessment is made.
7 (b) Except as provided in subsection (c), personal property which is
8 owned by a person who is not a resident of this state shall be assessed
9 at the place where the owner's principal office within this state is
10 located on the assessment date of the year for which the assessment is
11 made.
12 (c) Personal property shall be assessed at the place where it is
13 situated on the assessment date of the year for which the assessment is
14 made if the property is:

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- 1 (1) regularly used or permanently located where it is situated; or
 2 (2) owned by a nonresident who does not have a principal office
 3 within this state.

4 (d) If a personal property return is filed pursuant to subsection (c),
 5 the owner of the property shall provide, within forty-five (45) days after
 6 the filing deadline, a copy or other written evidence of the filing of the
 7 return to the assessor of the township in which the owner resides or to
 8 the county assessor if there is no township assessor for the township.
 9 If such evidence is not filed within forty-five (45) days after the filing
 10 deadline, the township or county assessor for the area where the owner
 11 resides shall determine if the owner filed a personal property return in
 12 the township or county where the property is situated. If such a return
 13 was filed, the property shall be assessed where it is situated. If such a
 14 return was not filed, the township or county assessor for the area where
 15 the owner resides shall notify the assessor of the township or county
 16 where the property is situated, and the property shall be assessed where
 17 it is situated. This subsection does not apply to a taxpayer who

18 ~~(1) is required to file duplicate personal property returns under~~
 19 ~~section 7(c) of this chapter and under regulations promulgated by~~
 20 ~~the department of local government finance with respect to that~~
 21 ~~section; or~~

22 ~~(2) is required by the department of local government finance to~~
 23 ~~file a summary of the taxpayer's business tangible personal~~
 24 ~~property returns.~~

25 SECTION 2. IC 6-1.1-3-7, AS AMENDED BY P.L.146-2008,
 26 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2015]: Sec. 7. (a) Except as provided in subsections (b) and
 28 ~~(d)~~, (c), a taxpayer shall, on or before the filing date of each year, file
 29 a personal property return with:

30 (1) the assessor of each township in which the taxpayer's personal
 31 property is subject to assessment; or

32 (2) the county assessor if there is no township assessor for a
 33 township in which the taxpayer's personal property is subject to
 34 assessment.

35 (b) The township assessor or county assessor may grant a taxpayer
 36 an extension of not more than thirty (30) days to file the taxpayer's
 37 return if:

38 (1) the taxpayer submits a written application for an extension
 39 prior to the filing date; and

40 (2) the taxpayer is prevented from filing a timely return because
 41 of sickness, absence from the county, or any other good and
 42 sufficient reason.



1 (e) If the sum of the assessed values reported by a taxpayer on the
 2 business personal property returns which the taxpayer files with the
 3 township assessor or county assessor for a year exceeds one hundred
 4 fifty thousand dollars (\$150,000); the taxpayer shall file each of the
 5 returns in duplicate.

6 ~~(d)~~ (c) If a taxpayer:

7 (1) a taxpayer has personal property subject to assessment in more
 8 than one (1) township in a county; ~~and or~~

9 (2) the total assessed value of the personal property in the county
 10 is less than one million five hundred thousand dollars
 11 (\$1,500,000); **has personal property that is subject to**
 12 **assessment and that is located in two (2) or more taxing**
 13 **districts within the same township;**

14 the taxpayer ~~filing a return~~ shall file a single return with the county
 15 assessor and attach a schedule listing, by township, all the taxpayer's
 16 personal property and the property's assessed value. The taxpayer shall
 17 provide the county assessor with the information necessary for the
 18 county assessor to allocate the assessed value of the taxpayer's personal
 19 property among the townships listed on the return **and among taxing**
 20 **districts**, including the street address, the township, and the location
 21 of the property.

22 ~~(e)~~ (d) The county assessor shall provide to each affected township
 23 assessor (if any) in the county all information filed by a taxpayer under
 24 subsection ~~(d)~~ (c) that affects the township.

25 ~~(f)~~ (e) The county assessor may refuse to accept a personal property
 26 tax return that does not comply with subsection ~~(d)~~: (c). For purposes
 27 of IC 6-1.1-37-7, a return to which subsection ~~(d)~~ (c) applies is filed on
 28 the date it is filed with the county assessor with the schedule required
 29 by subsection ~~(d)~~ (c) attached.

30 SECTION 3. IC 6-1.1-3-7.2, AS ADDED BY P.L.80-2014,
 31 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2015]: Sec. 7.2. (a) This section applies ~~in a county in which~~
 33 ~~an exemption ordinance adopted under this section is in effect in the~~
 34 ~~county for those to~~ assessment dates occurring

35 ~~(1)~~ after the later of:

36 ~~(A)~~ December 31, 2015. ~~or~~

37 ~~(B)~~ the date on which the ordinance is adopted; and

38 ~~(2)~~ before the ordinance is rescinded.

39 (b) As used in this section, "affiliate" means an entity that
 40 effectively controls or is controlled by a taxpayer or is associated with
 41 a taxpayer under common ownership or control, whether by
 42 shareholdings or other means.



1 (c) As used in this section, "business personal property" means
2 personal property that:

3 (1) is otherwise subject to assessment and taxation under this
4 article;

5 (2) is used in a trade or business or otherwise held, used, or
6 consumed in connection with the production of income; and

7 (3) was:

8 (A) acquired by the taxpayer in an arms length transaction
9 from an entity that is not an affiliate of the taxpayer, if the
10 personal property has been previously used in Indiana before
11 being placed in service in the county; or

12 (B) acquired in any manner, if the personal property has never
13 been previously used in Indiana before being placed in service
14 in the county.

15 The term does not include mobile homes assessed under IC 6-1.1-7,
16 personal property held as an investment, or personal property that is
17 assessed under IC 6-1.1-8 and is owned by a public utility subject to
18 regulation by the Indiana utility regulatory commission. However, the
19 term does include the personal property of a telephone company or a
20 communications service provider if that personal property meets the
21 requirements of subdivisions (1) through (3), regardless of whether that
22 personal property is assessed under IC 6-1.1-8 and regardless of
23 whether the telephone company or communications service provider is
24 subject to regulation by the Indiana utility regulatory commission.

25 (d) As used in this section, "county income tax council" refers to the
26 county income tax council established by IC 6-3.5-6-2 for a county.

27 (e) As used in this section, "exemption ordinance" refers to an
28 ordinance adopted under subsection (f) by a county income tax council.

29 (f) The county income tax council may by a majority vote of the
30 total votes allocated to the county income tax council adopt an
31 ordinance to have the exemption under this section apply throughout
32 the county.

33 (g) For purposes of adopting an exemption ordinance under this
34 section, a county income tax council is comprised of the same members
35 as the county income tax council that is established by IC 6-3.5-6-2 for
36 the county, regardless of whether a county income tax is in effect in the
37 county and regardless of which county income tax is in effect in the
38 county. Except as otherwise provided in this section, the county income
39 tax council shall use the same procedures that apply under IC 6-3.5-6
40 when acting under this section.

41 (h) Before adopting an exemption ordinance under this section, a
42 county income tax council must conduct a public hearing on the



1 proposed exemption ordinance. The county income tax council must
2 publish notice of the public hearing in accordance with IC 5-3-1.

3 (i) The county income tax council shall provide a certified copy of
4 an adopted exemption ordinance to the department of local government
5 finance and the county auditor:

6 (j) (d) Notwithstanding section 7 of this chapter, if

7 (1) a county income tax council has adopted an exemption
8 ordinance and this section applies to a county for a particular
9 assessment date; and

10 (2) the acquisition cost of a taxpayer's **total** business personal
11 property in a county is less than twenty thousand dollars
12 (\$20,000) for that assessment date,

13 the taxpayer's business personal property in the county for that
14 assessment date is exempt from taxation.

15 (k) (e) A taxpayer that is eligible for the exemption under this
16 section is not required to file a personal property return for the
17 taxpayer's business personal property in the county for that assessment
18 date. However, the taxpayer must, before May 15 of the calendar year
19 in which the assessment date occurs, file with the county assessor an
20 annual certification stating that the taxpayer's business personal
21 property in the county is exempt from taxation under this section for
22 that assessment date.

23 SECTION 4. IC 6-1.1-3-10, AS AMENDED BY P.L.219-2007,
24 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JULY 1, 2015]: Sec. 10. (a) If a taxpayer owns, holds, possesses, or
26 controls personal property which is located in two (2) or more
27 townships, the taxpayer shall file any additional returns with the county
28 assessor which the department of local government finance may require
29 by regulation.

30 (b) If a taxpayer owns, holds, possesses, or controls personal
31 property which is located in two (2) or more taxing districts within the
32 same township, the taxpayer shall file a separate personal property
33 return covering the property in each taxing district.

34 SECTION 5. IC 6-1.1-4-13, AS AMENDED BY P.L.85-2014,
35 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 MARCH 1, 2015 (RETROACTIVE)]: Sec. 13. (a) In assessing or
37 reassessing land, the land shall be assessed as agricultural land only
38 when it is devoted to agricultural use.

39 (b) For purposes of this section, and in addition to any other
40 land considered devoted to agricultural use, any:

41 (1) land enrolled in:

42 (A) a land conservation or reserve program administered



- 1 by the United States Department of Agriculture;
- 2 **(B) a land conservation program administered by the**
- 3 **United States Department of Agriculture's Farm Service**
- 4 **Agency; or**
- 5 **(C) a conservation reserve program or agricultural**
- 6 **easement program administered by the United States**
- 7 **Department of Agriculture's National Resources**
- 8 **Conservation Service;**
- 9 **(2) land enrolled in the department of natural resource's**
- 10 **classified forest and wildlands program (or any similar or**
- 11 **successor program);**
- 12 **(3) land classified in the category of other agriculture use, as**
- 13 **provided in the department of local government finance's real**
- 14 **property assessment guidelines; or**
- 15 **(4) land devoted to the harvesting of hardwood timber;**
- 16 **is considered to be devoted to agricultural use. Agricultural use for**
- 17 **purposes of this section includes but is not limited to the uses**
- 18 **included in the definition of "agricultural use" in IC 36-7-4-616(b),**
- 19 **such as the production of livestock or livestock products,**
- 20 **commercial aquaculture, equine or equine products, land**
- 21 **designated as a conservation reserve plan, pastureland, poultry or**
- 22 **poultry products, horticultural or nursery stock, fruit, vegetables,**
- 23 **forage, grains, timber, trees, bees and apiary products, tobacco,**
- 24 **other agricultural crops, general farming operation purposes,**
- 25 **native lands, or land that lays fallow. Agricultural use may not be**
- 26 **determined by the size of a parcel or size of a part of the parcel.**
- 27 **This subsection does not affect the assessment of any real property**
- 28 **assessed under IC 6-1.1-6 (assessment of certain forest lands),**
- 29 **IC 6-1.1-6.2 (assessment of certain windbreaks), or IC 6-1.1-6.7**
- 30 **(assessment of filter strips).**
- 31 ~~(b)~~ **(c) The department of local government finance shall give**
- 32 **written notice to each county assessor of:**
- 33 **(1) the availability of the United States Department of**
- 34 **Agriculture's soil survey data; and**
- 35 **(2) the appropriate soil productivity factor for each type or**
- 36 **classification of soil shown on the United States Department of**
- 37 **Agriculture's soil survey map.**
- 38 **All assessing officials and the property tax assessment board of appeals**
- 39 **shall use the data in determining the true tax value of agricultural land.**
- 40 **However, notwithstanding the availability of new soil productivity**
- 41 **factors and the department of local government finance's notice of the**
- 42 **appropriate soil productivity factor for each type or classification of**



1 soil shown on the United States Department of Agriculture's soil survey
 2 map for the March 1, 2012, assessment date, the soil productivity
 3 factors used for the March 1, 2011, assessment date shall be used for
 4 the March 1, 2012, assessment date, the March 1, 2013, assessment
 5 date, ~~and~~ the March 1, 2014, assessment date, **and the March 1, 2015,**
 6 **assessment date.** New soil productivity factors shall be used for
 7 assessment dates occurring after March 1, ~~2014~~ **2015.**

8 ~~(c)~~ **(d)** The department of local government finance shall by rule
 9 provide for the method for determining the true tax value of each parcel
 10 of agricultural land.

11 ~~(d)~~ **(e)** This section does not apply to land purchased for industrial
 12 **or commercial or residential** uses.

13 SECTION 6. IC 6-1.1-4-13.2 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015 (RETROACTIVE)]: **Sec. 13.2. (a)**
 15 **Notwithstanding the provisions of this chapter and any real**
 16 **property assessment guidelines of the department of local**
 17 **government finance, for the property tax assessment of**
 18 **agricultural land for the March 1, 2015, assessment date, the**
 19 **statewide agricultural land base rate value per acre used to**
 20 **determine the value of agricultural land is two thousand fifty**
 21 **dollars (\$2,050), and this amount shall be substituted for any**
 22 **agricultural land base rate value included in the Real Property**
 23 **Assessment Guidelines or any other guidelines of the department**
 24 **of local government finance that apply for those assessment dates.**

25 **(b) This section expires January 1, 2017.**

26 SECTION 7. IC 6-1.1-4-43 IS ADDED TO THE INDIANA CODE
 27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 28 MARCH 1, 2015 (RETROACTIVE)]: **Sec. 43. (a) Except as**
 29 **otherwise provided, this section applies to the following:**

30 **(1) Real property assessed on the March 1, 2015, assessment**
 31 **date and assessment dates thereafter.**

32 **(2) Real property assessed on assessment dates preceding the**
 33 **March 1, 2015, assessment date, if an administrative appeal**
 34 **or judicial proceeding concerning the assessment is pending**
 35 **on March 1, 2015, regardless of whether a hearing or oral**
 36 **argument has been held in the administrative appeal or**
 37 **judicial proceeding.**

38 **(b) The valuation requirements in this section do not apply to**
 39 **property that is assessed as provided in any of the following:**

40 **(1) IC 6-1.1-4-39.**

41 **(2) IC 6-1.1-4-39.5.**



- 1 **(3) IC 6-1.1-4-40 and IC 6-1.1-4-41.**
 2 **(4) IC 6-1.1-4-42.**
 3 **(5) IC 6-1.1-8.5.**
 4 **(6) IC 6-1.1-8.7.**
 5 **(c) The valuation requirements in this section do not apply to**
 6 **the assessment of real property after the real property is sold in an**
 7 **arm's length sale transaction. An arm's length sale transaction**
 8 **does not include a transaction in which the original owner or the**
 9 **initial intended user of the real property, or both the original**
 10 **owner and the initial intended user, remain affiliated with the**
 11 **property as an owner of any percentage interest or as a tenant.**
 12 **(d) As used in this section, "chain stores" means a group of**
 13 **similar establishments that:**
 14 **(1) have similar architecture, store design, and choice of**
 15 **product or service using standardized business methods and**
 16 **practices that are spread statewide, nationwide, or**
 17 **worldwide; and**
 18 **(2) have a central headquarters or are operated under**
 19 **franchise contracts.**
 20 **(e) As used in this section, "sale-leaseback" means a transaction**
 21 **in which one (1) party sells a property to a buyer, and the buyer**
 22 **leases the property back to the seller.**
 23 **(f) As used in this section, "special purpose property" means a**
 24 **property that meets the following conditions:**
 25 **(1) The property has one (1) or more of the following**
 26 **characteristics:**
 27 **(A) A unique physical design that enhances the utility to**
 28 **the person for whom the structure is built, either the**
 29 **owner-occupant or tenant of the property.**
 30 **(B) Special construction materials that enhance the utility**
 31 **to the person for whom the structure is built, either the**
 32 **owner-occupant or tenant of the property.**
 33 **(C) A layout that enhances the utility to the person for**
 34 **whom the structure is built, either the owner-occupant or**
 35 **tenant of the property.**
 36 **(2) The utility of the structure to the first owner-occupant or**
 37 **tenant is significantly higher than the utility that is passed on**
 38 **to the secondary market, because of the willingness of the first**
 39 **owner-occupant or tenant to incur the costs of land**
 40 **acquisition or improvement construction.**
 41 **The term includes buildings of fifty thousand (50,000) square feet**
 42 **or more (commonly referred to as big box stores), fast food**



1 restaurant chain properties, national retail drugstores, movie
 2 theaters, home improvement chain stores, dining lounge chain
 3 properties, industrial properties, banks, fitness club properties,
 4 and chain stores.

5 (g) Under its authority to provide for a system of assessment
 6 and taxation characterized by uniformity, equality, and just
 7 valuation based on property wealth, the general assembly finds
 8 that the market value-in-use of special purpose properties and
 9 sale-leaseback properties shall be determined as provided in this
 10 section. The market value-in-use of special purpose properties and
 11 sale-leaseback properties is equal to the value derived from
 12 applying the cost approach. Land value used for purposes of this
 13 subsection is equal to the amount paid for the land, with the only
 14 adjustments being the annual adjustments under section 4.5 of this
 15 chapter. Improvement value used for purposes of this subsection
 16 is the cost of improvements as specified in the property owner's
 17 books and records, less depreciation, for federal tax purposes.
 18 Further evidence of the actual cost includes construction costs,
 19 including all direct and indirect expenses, such as costs of all
 20 improvements, management fees, site improvements, architect fees,
 21 labor, builder overhead, and similar costs. Upon written request,
 22 the owner or occupant of the property must provide information
 23 concerning actual construction costs and federal tax schedules to
 24 the county assessor in order for the appeals process provided for
 25 in IC 6-1.1-15 to proceed.

26 SECTION 8. IC 6-1.1-10-16.8 IS ADDED TO THE INDIANA
 27 CODE AS A NEW SECTION TO READ AS FOLLOWS
 28 [EFFECTIVE UPON PASSAGE]: **Sec. 16.8. (a) This section applies**
 29 **to a dwelling or other building that is situated in a special flood**
 30 **hazard area as designated by the Federal Emergency Management**
 31 **Agency in which the mandatory purchase of flood insurance**
 32 **applies.**

33 (b) The basement of a dwelling or other building described in
 34 subsection (a) is exempt from property taxation if:

- 35 (1) the basement floor level has been elevated to mitigate the
 36 risk of flooding; and
- 37 (2) as a result, the basement is rendered unusable as living
 38 space.

39 SECTION 9. IC 6-1.1-12-37, AS AMENDED BY P.L.166-2014,
 40 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 UPON PASSAGE]: **Sec. 37. (a) The following definitions apply**
 42 **throughout this section:**



- 1 (1) "Dwelling" means any of the following:
- 2 (A) Residential real property improvements that an individual
- 3 uses as the individual's residence, including a house or garage.
- 4 (B) A mobile home that is not assessed as real property that an
- 5 individual uses as the individual's residence.
- 6 (C) A manufactured home that is not assessed as real property
- 7 that an individual uses as the individual's residence.
- 8 (2) "Homestead" means an individual's principal place of
- 9 residence:
- 10 (A) that is located in Indiana;
- 11 (B) that:
- 12 (i) the individual owns;
- 13 (ii) the individual is buying under a contract, recorded in the
- 14 county recorder's office, that provides that the individual is
- 15 to pay the property taxes on the residence **and that**
- 16 **obligates the owner to convey title to the individual upon**
- 17 **completion of all of the individual's contract obligations;**
- 18 (iii) the individual is entitled to occupy as a
- 19 tenant-stockholder (as defined in 26 U.S.C. 216) of a
- 20 cooperative housing corporation (as defined in 26 U.S.C.
- 21 216); or
- 22 (iv) is a residence described in section 17.9 of this chapter
- 23 that is owned by a trust if the individual is an individual
- 24 described in section 17.9 of this chapter; and
- 25 (C) that consists of a dwelling and the real estate, not
- 26 exceeding one (1) acre, that immediately surrounds that
- 27 dwelling.
- 28 Except as provided in subsection (k), the term does not include
- 29 property owned by a corporation, partnership, limited liability
- 30 company, or other entity not described in this subdivision.
- 31 (b) Each year a homestead is eligible for a standard deduction from
- 32 the assessed value of the homestead for an assessment date. Except as
- 33 provided in subsection (p), the deduction provided by this section
- 34 applies to property taxes first due and payable for an assessment date
- 35 only if an individual has an interest in the homestead described in
- 36 subsection (a)(2)(B) on:
- 37 (1) the assessment date; or
- 38 (2) any date in the same year after an assessment date that a
- 39 statement is filed under subsection (e) or section 44 of this
- 40 chapter, if the property consists of real property.
- 41 Subject to subsection (c), the auditor of the county shall record and
- 42 make the deduction for the individual or entity qualifying for the



1 deduction.

2 (c) Except as provided in section 40.5 of this chapter, the total
3 amount of the deduction that a person may receive under this section
4 for a particular year is the lesser of:

- 5 (1) sixty percent (60%) of the assessed value of the real property,
6 mobile home not assessed as real property, or manufactured home
7 not assessed as real property; or
8 (2) forty-five thousand dollars (\$45,000).

9 (d) A person who has sold real property, a mobile home not assessed
10 as real property, or a manufactured home not assessed as real property
11 to another person under a contract that provides that the contract buyer
12 is to pay the property taxes on the real property, mobile home, or
13 manufactured home may not claim the deduction provided under this
14 section with respect to that real property, mobile home, or
15 manufactured home.

16 (e) Except as provided in sections 17.8 and 44 of this chapter and
17 subject to section 45 of this chapter, an individual who desires to claim
18 the deduction provided by this section must file a certified statement in
19 duplicate, on forms prescribed by the department of local government
20 finance, with the auditor of the county in which the homestead is
21 located. The statement must include:

- 22 (1) the parcel number or key number of the property and the name
23 of the city, town, or township in which the property is located;
24 (2) the name of any other location in which the applicant or the
25 applicant's spouse owns, is buying, or has a beneficial interest in
26 residential real property;

27 (3) the names of:

28 (A) the applicant and the applicant's spouse (if any):

29 (i) as the names appear in the records of the United States
30 Social Security Administration for the purposes of the
31 issuance of a Social Security card and Social Security
32 number; or

33 (ii) that they use as their legal names when they sign their
34 names on legal documents;

35 if the applicant is an individual; or

36 (B) each individual who qualifies property as a homestead
37 under subsection (a)(2)(B) and the individual's spouse (if any):

38 (i) as the names appear in the records of the United States
39 Social Security Administration for the purposes of the
40 issuance of a Social Security card and Social Security
41 number; or

42 (ii) that they use as their legal names when they sign their



- 1 names on legal documents;
 2 if the applicant is not an individual; and
 3 (4) either:
 4 (A) the last five (5) digits of the applicant's Social Security
 5 number and the last five (5) digits of the Social Security
 6 number of the applicant's spouse (if any); or
 7 (B) if the applicant or the applicant's spouse (if any) does not
 8 have a Social Security number, any of the following for that
 9 individual:
 10 (i) The last five (5) digits of the individual's driver's license
 11 number.
 12 (ii) The last five (5) digits of the individual's state
 13 identification card number.
 14 (iii) If the individual does not have a driver's license or a
 15 state identification card, the last five (5) digits of a control
 16 number that is on a document issued to the individual by the
 17 federal government and determined by the department of
 18 local government finance to be acceptable.
- 19 If a form or statement provided to the county auditor under this section,
 20 IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or
 21 part or all of the Social Security number of a party or other number
 22 described in subdivision (4)(B) of a party, the telephone number and
 23 the Social Security number or other number described in subdivision
 24 (4)(B) included are confidential. The statement may be filed in person
 25 or by mail. If the statement is mailed, the mailing must be postmarked
 26 on or before the last day for filing. The statement applies for that first
 27 year and any succeeding year for which the deduction is allowed. With
 28 respect to real property, the statement must be completed and dated in
 29 the calendar year for which the person desires to obtain the deduction
 30 and filed with the county auditor on or before January 5 of the
 31 immediately succeeding calendar year. With respect to a mobile home
 32 that is not assessed as real property, the person must file the statement
 33 during the twelve (12) months before March 31 of the year for which
 34 the person desires to obtain the deduction.
- 35 (f) If an individual who is receiving the deduction provided by this
 36 section or who otherwise qualifies property for a deduction under this
 37 section:
 38 (1) changes the use of the individual's property so that part or all
 39 of the property no longer qualifies for the deduction under this
 40 section; or
 41 (2) is no longer eligible for a deduction under this section on
 42 another parcel of property because:



- 1 (A) the individual would otherwise receive the benefit of more
 2 than one (1) deduction under this chapter; or
 3 (B) the individual maintains the individual's principal place of
 4 residence with another individual who receives a deduction
 5 under this section;
- 6 the individual must file a certified statement with the auditor of the
 7 county, notifying the auditor of the change of use, not more than sixty
 8 (60) days after the date of that change. An individual who fails to file
 9 the statement required by this subsection is liable for any additional
 10 taxes that would have been due on the property if the individual had
 11 filed the statement as required by this subsection plus a civil penalty
 12 equal to ten percent (10%) of the additional taxes due. The civil penalty
 13 imposed under this subsection is in addition to any interest and
 14 penalties for a delinquent payment that might otherwise be due. One
 15 percent (1%) of the total civil penalty collected under this subsection
 16 shall be transferred by the county to the department of local
 17 government finance for use by the department in establishing and
 18 maintaining the homestead property data base under subsection (i) and,
 19 to the extent there is money remaining, for any other purposes of the
 20 department. This amount becomes part of the property tax liability for
 21 purposes of this article.
- 22 (g) The department of local government finance shall adopt rules or
 23 guidelines concerning the application for a deduction under this
 24 section.
- 25 (h) This subsection does not apply to property in the first year for
 26 which a deduction is claimed under this section if the sole reason that
 27 a deduction is claimed on other property is that the individual or
 28 married couple maintained a principal residence at the other property
 29 on March 1 in the same year in which an application for a deduction is
 30 filed under this section or, if the application is for a homestead that is
 31 assessed as personal property, on March 1 in the immediately
 32 preceding year and the individual or married couple is moving the
 33 individual's or married couple's principal residence to the property that
 34 is the subject of the application. Except as provided in subsection (n),
 35 the county auditor may not grant an individual or a married couple a
 36 deduction under this section if:
- 37 (1) the individual or married couple, for the same year, claims the
 38 deduction on two (2) or more different applications for the
 39 deduction; and
 40 (2) the applications claim the deduction for different property.
- 41 (i) The department of local government finance shall provide secure
 42 access to county auditors to a homestead property data base that



1 includes access to the homestead owner's name and the numbers
 2 required from the homestead owner under subsection (e)(4) for the sole
 3 purpose of verifying whether an owner is wrongly claiming a deduction
 4 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or
 5 IC 6-3.5.

6 (j) A county auditor may require an individual to provide evidence
 7 proving that the individual's residence is the individual's principal place
 8 of residence as claimed in the certified statement filed under subsection
 9 (e). The county auditor may limit the evidence that an individual is
 10 required to submit to a state income tax return, a valid driver's license,
 11 or a valid voter registration card showing that the residence for which
 12 the deduction is claimed is the individual's principal place of residence.
 13 The department of local government finance shall work with county
 14 auditors to develop procedures to determine whether a property owner
 15 that is claiming a standard deduction or homestead credit is not eligible
 16 for the standard deduction or homestead credit because the property
 17 owner's principal place of residence is outside Indiana.

18 (k) As used in this section, "homestead" includes property that
 19 satisfies each of the following requirements:

20 (1) The property is located in Indiana and consists of a dwelling
 21 and the real estate, not exceeding one (1) acre, that immediately
 22 surrounds that dwelling.

23 (2) The property is the principal place of residence of an
 24 individual.

25 (3) The property is owned by an entity that is not described in
 26 subsection (a)(2)(B).

27 (4) The individual residing on the property is a shareholder,
 28 partner, or member of the entity that owns the property.

29 (5) The property was eligible for the standard deduction under
 30 this section on March 1, 2009.

31 (l) If a county auditor terminates a deduction for property described
 32 in subsection (k) with respect to property taxes that are:

33 (1) imposed for an assessment date in 2009; and

34 (2) first due and payable in 2010;

35 on the grounds that the property is not owned by an entity described in
 36 subsection (a)(2)(B), the county auditor shall reinstate the deduction if
 37 the taxpayer provides proof that the property is eligible for the
 38 deduction in accordance with subsection (k) and that the individual
 39 residing on the property is not claiming the deduction for any other
 40 property.

41 (m) For assessment dates after 2009, the term "homestead" includes:

42 (1) a deck or patio;



1 (2) a gazebo; or
 2 (3) another residential yard structure, as defined in rules adopted
 3 by the department of local government finance (other than a
 4 swimming pool);
 5 that is assessed as real property and attached to the dwelling.
 6 (n) A county auditor shall grant an individual a deduction under this
 7 section regardless of whether the individual and the individual's spouse
 8 claim a deduction on two (2) different applications and each
 9 application claims a deduction for different property if the property
 10 owned by the individual's spouse is located outside Indiana and the
 11 individual files an affidavit with the county auditor containing the
 12 following information:
 13 (1) The names of the county and state in which the individual's
 14 spouse claims a deduction substantially similar to the deduction
 15 allowed by this section.
 16 (2) A statement made under penalty of perjury that the following
 17 are true:
 18 (A) That the individual and the individual's spouse maintain
 19 separate principal places of residence.
 20 (B) That neither the individual nor the individual's spouse has
 21 an ownership interest in the other's principal place of
 22 residence.
 23 (C) That neither the individual nor the individual's spouse has,
 24 for that same year, claimed a standard or substantially similar
 25 deduction for any property other than the property maintained
 26 as a principal place of residence by the respective individuals.
 27 A county auditor may require an individual or an individual's spouse to
 28 provide evidence of the accuracy of the information contained in an
 29 affidavit submitted under this subsection. The evidence required of the
 30 individual or the individual's spouse may include state income tax
 31 returns, excise tax payment information, property tax payment
 32 information, driver license information, and voter registration
 33 information.
 34 (o) If:
 35 (1) a property owner files a statement under subsection (e) to
 36 claim the deduction provided by this section for a particular
 37 property; and
 38 (2) the county auditor receiving the filed statement determines
 39 that the property owner's property is not eligible for the deduction;
 40 the county auditor shall inform the property owner of the county
 41 auditor's determination in writing. If a property owner's property is not
 42 eligible for the deduction because the county auditor has determined



1 that the property is not the property owner's principal place of
 2 residence, the property owner may appeal the county auditor's
 3 determination to the county property tax assessment board of appeals
 4 as provided in IC 6-1.1-15. The county auditor shall inform the
 5 property owner of the owner's right to appeal to the county property tax
 6 assessment board of appeals when the county auditor informs the
 7 property owner of the county auditor's determination under this
 8 subsection.

9 (p) An individual is entitled to the deduction under this section for
 10 a homestead for a particular assessment date if:

11 (1) either:

12 (A) the individual's interest in the homestead as described in
 13 subsection (a)(2)(B) is conveyed to the individual after the
 14 assessment date, but within the calendar year in which the
 15 assessment date occurs; or

16 (B) the individual contracts to purchase the homestead after
 17 the assessment date, but within the calendar year in which the
 18 assessment date occurs;

19 (2) on the assessment date:

20 (A) the property on which the homestead is currently located
 21 was vacant land; or

22 (B) the construction of the dwelling that constitutes the
 23 homestead was not completed;

24 (3) either:

25 (A) the individual files the certified statement required by
 26 subsection (e) on or before December 31 of the calendar year
 27 in which the assessment date occurs to claim the deduction
 28 under this section; or

29 (B) a sales disclosure form that meets the requirements of
 30 section 44 of this chapter is submitted to the county assessor
 31 on or before December 31 of the calendar year for the
 32 individual's purchase of the homestead; and

33 (4) the individual files with the county auditor on or before
 34 December 31 of the calendar year in which the assessment date
 35 occurs a statement that:

36 (A) lists any other property for which the individual would
 37 otherwise receive a deduction under this section for the
 38 assessment date; and

39 (B) cancels the deduction described in clause (A) for that
 40 property.

41 An individual who satisfies the requirements of subdivisions (1)
 42 through (4) is entitled to the deduction under this section for the



1 homestead for the assessment date, even if on the assessment date the
 2 property on which the homestead is currently located was vacant land
 3 or the construction of the dwelling that constitutes the homestead was
 4 not completed. The county auditor shall apply the deduction for the
 5 assessment date and for the assessment date in any later year in which
 6 the homestead remains eligible for the deduction. A homestead that
 7 qualifies for the deduction under this section as provided in this
 8 subsection is considered a homestead for purposes of section 37.5 of
 9 this chapter and IC 6-1.1-20.6. The county auditor shall cancel the
 10 deduction under this section for any property that is located in the
 11 county and is listed on the statement filed by the individual under
 12 subdivision (4). If the property listed on the statement filed under
 13 subdivision (4) is located in another county, the county auditor who
 14 receives the statement shall forward the statement to the county auditor
 15 of that other county, and the county auditor of that other county shall
 16 cancel the deduction under this section for that property.

17 (q) This subsection applies to an application for the deduction
 18 provided by this section that is filed for an assessment date occurring
 19 after December 31, 2013. Notwithstanding any other provision of this
 20 section, an individual buying a mobile home that is not assessed as real
 21 property or a manufactured home that is not assessed as real property
 22 under a contract providing that the individual is to pay the property
 23 taxes on the mobile home or manufactured home is not entitled to the
 24 deduction provided by this section unless the parties to the contract
 25 comply with IC 9-17-6-17.

26 (r) This subsection:

27 (1) applies to an application for the deduction provided by this
 28 section that is filed for an assessment date occurring after
 29 December 31, 2013; and

30 (2) does not apply to an individual described in subsection (q).

31 The owner of a mobile home that is not assessed as real property or a
 32 manufactured home that is not assessed as real property must attach a
 33 copy of the owner's title to the mobile home or manufactured home to
 34 the application for the deduction provided by this section.

35 (s) For assessment dates after 2013, the term "homestead" includes
 36 property that is owned by an individual who:

37 (1) is serving on active duty in any branch of the armed forces of
 38 the United States;

39 (2) was ordered to transfer to a location outside Indiana; and

40 (3) was otherwise eligible, without regard to this subsection, for
 41 the deduction under this section for the property for the
 42 assessment date immediately preceding the transfer date specified



1 in the order described in subdivision (2).
 2 For property to qualify under this subsection for the deduction provided
 3 by this section, the individual described in subdivisions (1) through (3)
 4 must submit to the county auditor a copy of the individual's transfer
 5 orders or other information sufficient to show that the individual was
 6 ordered to transfer to a location outside Indiana. The property continues
 7 to qualify for the deduction provided by this section until the individual
 8 ceases to be on active duty, the property is sold, or the individual's
 9 ownership interest is otherwise terminated, whichever occurs first.
 10 Notwithstanding subsection (a)(2), the property remains a homestead
 11 regardless of whether the property continues to be the individual's
 12 principal place of residence after the individual transfers to a location
 13 outside Indiana. However, the property ceases to qualify as a
 14 homestead under this subsection if the property is leased while the
 15 individual is away from Indiana. Property that qualifies as a homestead
 16 under this subsection shall also be construed as a homestead for
 17 purposes of section 37.5 of this chapter.

18 SECTION 10. IC 6-1.1-15-1, AS AMENDED BY P.L.257-2013,
 19 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2015]: Sec. 1. (a) A taxpayer may obtain a review by the
 21 county board of a county or township official's action with respect to
 22 either or both of the following:

- 23 (1) The assessment of the taxpayer's tangible property.
 24 (2) A deduction for which a review under this section is
 25 authorized by any of the following:
 26 (A) IC 6-1.1-12-25.5.
 27 (B) IC 6-1.1-12-28.5.
 28 (C) IC 6-1.1-12-35.5.
 29 (D) IC 6-1.1-12.1-5.
 30 (E) IC 6-1.1-12.1-5.3.
 31 (F) IC 6-1.1-12.1-5.4.

32 (b) At the time that notice of an action referred to in subsection (a)
 33 is given to the taxpayer, the taxpayer shall also be informed in writing
 34 of:

- 35 (1) the opportunity for a review under this section, including a
 36 preliminary informal meeting under subsection (h)(2) with the
 37 county or township official referred to in this subsection; and
 38 (2) the procedures the taxpayer must follow in order to obtain a
 39 review under this section.

40 (c) In order to obtain a review of an assessment or deduction
 41 effective for the assessment date to which the notice referred to in
 42 subsection (b) applies, the taxpayer must file a notice in writing with



1 the county or township official referred to in subsection (a) not later
 2 than forty-five (45) days after the date of the notice referred to in
 3 subsection (b).

4 (d) A taxpayer may obtain a review by the county board of the
 5 assessment of the taxpayer's tangible property effective for an
 6 assessment date for which a notice of assessment is not given as
 7 described in subsection (b). To obtain the review, the taxpayer must file
 8 a notice in writing with the township assessor, or the county assessor
 9 if the township is not served by a township assessor. The right of a
 10 taxpayer to obtain a review under this subsection for an assessment
 11 date for which a notice of assessment is not given does not relieve an
 12 assessing official of the duty to provide the taxpayer with the notice of
 13 assessment as otherwise required by this article. The notice to obtain
 14 a review must be filed not later than the later of:

- 15 (1) May 10 of the year; or
- 16 (2) forty-five (45) days after the date of the tax statement mailed
 17 by the county treasurer, regardless of whether the assessing
 18 official changes the taxpayer's assessment.

19 (e) A change in an assessment made as a result of a notice for
 20 review filed by a taxpayer under subsection (d) after the time
 21 prescribed in subsection (d) becomes effective for the next assessment
 22 date. A change in an assessment made as a result of a notice for review
 23 filed by a taxpayer under subsection (c) or (d) remains in effect from
 24 the assessment date for which the change is made until the next
 25 assessment date for which the assessment is changed under this article.

26 (f) The written notice filed by a taxpayer under subsection (c) or (d)
 27 must include the following information:

- 28 (1) The name of the taxpayer.
- 29 (2) The address and parcel or key number of the property.
- 30 (3) The address and telephone number of the taxpayer.

31 (g) The filing of a notice under subsection (c) or (d):

- 32 (1) initiates a review under this section; and
- 33 (2) constitutes a request by the taxpayer for a preliminary
 34 informal meeting with the official referred to in subsection (a).

35 (h) A county or township official who receives a notice for review
 36 filed by a taxpayer under subsection (c) or (d) shall:

- 37 (1) immediately forward the notice to the county board; and
- 38 (2) attempt to hold a preliminary informal meeting with the
 39 taxpayer to resolve as many issues as possible by:

- 40 (A) discussing the specifics of the taxpayer's assessment or
 41 deduction;
- 42 (B) reviewing the taxpayer's property record card;



- 1 (C) explaining to the taxpayer how the assessment or
 2 deduction was determined;
- 3 (D) providing to the taxpayer information about the statutes,
 4 rules, and guidelines that govern the determination of the
 5 assessment or deduction;
- 6 (E) noting and considering objections of the taxpayer;
- 7 (F) considering all errors alleged by the taxpayer; and
- 8 (G) otherwise educating the taxpayer about:
- 9 (i) the taxpayer's assessment or deduction;
- 10 (ii) the assessment or deduction process; and
- 11 (iii) the assessment or deduction appeal process.
- 12 (i) Not later than ten (10) days after the informal preliminary
 13 meeting, the official referred to in subsection (a) shall forward to the
 14 county auditor and the county board the results of the conference on a
 15 form prescribed by the department of local government finance that
 16 must be completed and signed by the taxpayer and the official. **The**
 17 **official referred to in subsection (a) must attest on the form that**
 18 **the official described to the taxpayer the taxpayer's right to a**
 19 **review of the issues by the county board under this chapter and the**
 20 **taxpayer's right to appeal to the Indiana board of tax review and**
 21 **to the Indiana tax court.** The form must indicate the following:
- 22 (1) If the taxpayer and the official agree on the resolution of all
 23 assessment or deduction issues in the review, a statement of:
- 24 (A) those issues; and
- 25 (B) the assessed value of the tangible property or the amount
 26 of the deduction that results from the resolution of those issues
 27 in the manner agreed to by the taxpayer and the official.
- 28 (2) If the taxpayer and the official do not agree on the resolution
 29 of all assessment or deduction issues in the review:
- 30 (A) a statement of those issues; and
- 31 (B) the identification of:
- 32 (i) the issues on which the taxpayer and the official agree;
- 33 and
- 34 (ii) the issues on which the taxpayer and the official
 35 disagree.
- 36 (j) If the county board receives a form referred to in subsection
 37 (i)(1) before the hearing scheduled under subsection (k):
- 38 (1) the county board shall cancel the hearing;
- 39 (2) the county official referred to in subsection (a) shall give
 40 notice to the taxpayer, the county board, the county assessor, and
 41 the county auditor of the assessment or deduction in the amount
 42 referred to in subsection (i)(1)(B); and



1 (3) if the matter in issue is the assessment of tangible property,
 2 the county board may reserve the right to change the assessment
 3 under IC 6-1.1-13.

4 (k) If:

5 (1) subsection (i)(2) applies; or

6 (2) the county board does not receive a form referred to in
 7 subsection (i) not later than one hundred twenty (120) days after
 8 the date of the notice for review filed by the taxpayer under
 9 subsection (c) or (d);

10 the county board shall hold a hearing on a review under this subsection
 11 not later than one hundred eighty (180) days after the date of that
 12 notice. The county board shall, by mail, give at least thirty (30) days
 13 notice of the date, time, and place fixed for the hearing to the taxpayer
 14 and the county or township official with whom the taxpayer filed the
 15 notice for review. The taxpayer and the county or township official
 16 with whom the taxpayer filed the notice for review are parties to the
 17 proceeding before the county board. A taxpayer may request a
 18 continuance of the hearing by filing, at least twenty (20) days before
 19 the hearing date, a request for continuance with the board and the
 20 county or township official with evidence supporting a just cause for
 21 the continuance. The board shall, not later than ten (10) days after the
 22 date the request for a continuance is filed, either find that the taxpayer
 23 has demonstrated a just cause for a continuance and grant the taxpayer
 24 the continuance, or deny the continuance. A taxpayer may request that
 25 the board take action without the taxpayer being present and that the
 26 board make a decision based on the evidence already submitted to the
 27 board by filing, at least eight (8) days before the hearing date, a request
 28 with the board and the county or township official. A taxpayer may
 29 withdraw a petition by filing, at least eight (8) days before the hearing
 30 date, a notice of withdrawal with the board and the county or township
 31 official.

32 (l) At the hearing required under subsection (k):

33 (1) the taxpayer may present the taxpayer's reasons for
 34 disagreement with the assessment or deduction; and

35 (2) the county or township official with whom the taxpayer filed
 36 the notice for review must present:

37 (A) the basis for the assessment or deduction decision; and

38 (B) the reasons the taxpayer's contentions should be denied.

39 A penalty of fifty dollars (\$50) shall be assessed against the taxpayer
 40 if the taxpayer or representative fails to appear at the hearing and,
 41 under subsection (k), the taxpayer's request for continuance is denied,
 42 or the taxpayer's request for continuance, request for the board to take



1 action without the taxpayer being present, or withdrawal is not timely
 2 filed. A taxpayer may appeal the assessment of the penalty to the
 3 Indiana board or directly to the tax court. The penalty may not be added
 4 as an amount owed on the property tax statement under IC 6-1.1-22 or
 5 IC 6-1.1-22.5.

6 (m) The official referred to in subsection (a) may not require the
 7 taxpayer to provide documentary evidence at the preliminary informal
 8 meeting under subsection (h). The county board may not require a
 9 taxpayer to file documentary evidence or summaries of statements of
 10 testimonial evidence before the hearing required under subsection (k).
 11 If the action for which a taxpayer seeks review under this section is the
 12 assessment of tangible property, the taxpayer is not required to have an
 13 appraisal of the property in order to do the following:

14 (1) Initiate the review.

15 (2) Prosecute the review.

16 (n) The county board shall prepare a written decision resolving all
 17 of the issues under review. The county board shall, by mail, give notice
 18 of its determination not later than one hundred twenty (120) days after
 19 the hearing under subsection (k) to the taxpayer, the official referred to
 20 in subsection (a), the county assessor, and the county auditor.

21 (o) If the maximum time elapses:

22 (1) under subsection (k) for the county board to hold a hearing; or

23 (2) under subsection (n) for the county board to give notice of its
 24 determination;

25 the taxpayer may initiate a proceeding for review before the Indiana
 26 board by taking the action required by section 3 of this chapter at any
 27 time after the maximum time elapses.

28 SECTION 11. IC 6-1.1-15-17.1 IS ADDED TO THE INDIANA
 29 CODE AS A NEW SECTION TO READ AS FOLLOWS
 30 [EFFECTIVE MARCH 1, 2015 (RETROACTIVE)]: **Sec. 17.1. In the**
 31 **case of a change occurring after February 28, 2015, in the**
 32 **classification of real property, the county assessor or township**
 33 **assessor making the change in the classification has the burden of**
 34 **proving that the change in the classification is correct in any**
 35 **review or appeal under this chapter and in any appeals taken to the**
 36 **Indiana board of tax review or to the Indiana tax court.**

37 SECTION 12. IC 6-1.1-18.5-22.3 IS ADDED TO THE INDIANA
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2015]: **Sec. 22.3. (a) This section applies only**
 40 **to Brown County due to unique circumstances regarding the**
 41 **approval of budgets and the resulting property tax levies for**
 42 **various county funds in 2013 through 2014.**



1 **(b) If the county fiscal body adopts an ordinance before October**
 2 **1, 2015, to impose a property tax levy in 2016 and in 2017 under**
 3 **this section, the department shall permit the county to impose the**
 4 **levy in each of those years. The property tax levy:**

5 **(1) is not subject to the maximum permissible ad valorem**
 6 **property tax levy limits otherwise applicable to the county**
 7 **under this chapter; and**

8 **(2) may not be considered in calculating the maximum**
 9 **permissible ad valorem property tax levy limits otherwise**
 10 **applicable to the county under this chapter.**

11 **(c) The amount of the property tax levy that may be imposed by**
 12 **the county each year under this section in 2016 and in 2017 is four**
 13 **hundred seventy-eight thousand one hundred fifteen dollars**
 14 **(\$478,115) in each of those years.**

15 **(d) The money received from a property tax levy under this**
 16 **section must be deposited in a separate fund. The money in the**
 17 **fund may be used by the county only to make transfers to the**
 18 **county funds that were affected in 2013 through 2014 by the**
 19 **unique circumstances regarding the approval of budgets and the**
 20 **resulting property tax levies, in the amounts determined to be**
 21 **appropriate by the department.**

22 **(e) This section expires June 30, 2020.**

23 **SECTION 13. IC 6-1.1-18.5-23 IS ADDED TO THE INDIANA**
 24 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 25 **[EFFECTIVE JULY 1, 2015]: Sec. 23. (a) This section applies to the**
 26 **following townships in Hancock County:**

27 **(1) Brown Township.**

28 **(2) Jackson Township.**

29 **(3) Blue River Township.**

30 **(b) The executive of a township listed in subsection (a) may,**
 31 **after approval by the fiscal body of the township, submit a petition**
 32 **to the department of local government finance requesting an**
 33 **increase in the maximum permissible ad valorem property tax levy**
 34 **for the township's general fund.**

35 **(c) If the executive of a township submits a petition under**
 36 **subsection (b), the department of local government finance shall**
 37 **increase the maximum permissible ad valorem property tax levy**
 38 **for the township's general fund for property taxes first due and**
 39 **payable after December 31, 2015, by an amount equal to the lesser**
 40 **of the following:**

41 **(1) Twenty-five thousand dollars (\$25,000).**

42 **(2) The sum of the following:**



1 (A) The amount necessary to make the maximum
 2 permissible ad valorem property tax levy for the
 3 township's general fund equal to the maximum permissible
 4 ad valorem property tax levy that would have applied to
 5 the township's general fund under section 3 of this chapter
 6 for property taxes first due and payable after December
 7 31, 2015, if in each year, beginning in 2003 and ending in
 8 2015, the township had imposed the maximum permissible
 9 ad valorem property tax levy for the township's general
 10 fund in each of those years (regardless of whether the
 11 township did impose the entire amount of the maximum
 12 permissible ad valorem property tax levy for the
 13 township's general fund).

14 (B) The amount necessary to make the maximum
 15 permissible ad valorem property tax levy under section 3
 16 of this chapter for the township's firefighting fund under
 17 IC 36-8-13 equal to the maximum permissible ad valorem
 18 property tax levy under section 3 of this chapter that
 19 would have applied to the township's firefighting fund for
 20 property taxes first due and payable after December 31,
 21 2015, if in each year, beginning in 2003 and ending in 2015,
 22 the township had imposed the maximum permissible ad
 23 valorem property tax levy for the township's firefighting
 24 fund in each of those years (regardless of whether the
 25 township did impose the entire amount of the maximum
 26 permissible ad valorem property tax levy for the
 27 township's firefighting fund).

28 SECTION 14. IC 6-1.1-37-7, AS AMENDED BY P.L.80-2014,
 29 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2015]: Sec. 7. (a) If a person fails to file a required personal
 31 property return on or before the due date, the county auditor shall add
 32 a penalty of twenty-five dollars (\$25) to the person's next property tax
 33 installment. The county auditor shall also add an additional penalty to
 34 the taxes payable by the person if the person fails to file the personal
 35 property return within thirty (30) days after the due date. The amount
 36 of the additional penalty is twenty percent (20%) of the taxes finally
 37 determined to be due with respect to the personal property which
 38 should have been reported on the return.

39 (b) For purposes of this section, a personal property return is not due
 40 until the expiration of any extension period granted by the township or
 41 county assessor under IC 6-1.1-3-7(b).

42 (c) The penalties prescribed under this section do not apply to an



1 individual or the individual's dependents if the individual:

2 (1) is in the military or naval forces of the United States on the
3 assessment date; and

4 (2) is covered by the federal Soldiers' and Sailors' Civil Relief
5 Act.

6 (d) If a person subject to ~~IC 6-1.1-3-7(d)~~ **IC 6-1.1-3-7(c)** fails to
7 include on a personal property return the information, if any, that the
8 department of local government finance requires under IC 6-1.1-3-9 or
9 IC 6-1.1-5-13, the county auditor shall add a penalty to the property tax
10 installment next due for the return. The amount of the penalty is
11 twenty-five dollars (\$25).

12 (e) If the total assessed value that a person reports on a personal
13 property return is less than the total assessed value that the person is
14 required by law to report and if the amount of the undervaluation
15 exceeds five percent (5%) of the value that should have been reported
16 on the return, then the county auditor shall add a penalty of twenty
17 percent (20%) of the additional taxes finally determined to be due as
18 a result of the undervaluation. The penalty shall be added to the
19 property tax installment next due for the return on which the property
20 was undervalued. If a person has complied with all of the requirements
21 for claiming a deduction, an exemption, or an adjustment for abnormal
22 obsolescence, then the increase in assessed value that results from a
23 denial of the deduction, exemption, or adjustment for abnormal
24 obsolescence is not considered to result from an undervaluation for
25 purposes of this subsection.

26 (f) If a person required by ~~IC 6-1.1-3-7.2(k)~~ **IC 6-1.1-3-7.2(e)** to file
27 an annual certification with the county assessor fails to timely file the
28 annual certification, the county auditor shall impose a penalty of
29 twenty-five dollars (\$25) that must be paid by the person with the next
30 property tax installment that is collected.

31 (g) A penalty is due with an installment under subsection (a), (d),
32 (e), or (f) whether or not an appeal is filed under IC 6-1.1-15-5 with
33 respect to the tax due on that installment.

34 SECTION 15. IC 36-7-32-22 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 22. (a) The treasurer of
36 state shall establish an incremental tax financing fund for each certified
37 technology park designated under this chapter. The fund shall be
38 administered by the treasurer of state. Money in the fund does not
39 revert to the state general fund at the end of a state fiscal year.

40 (b) Subject to subsection (c), the following amounts shall be
41 deposited during each state fiscal year in the incremental tax financing
42 fund established for a certified technology park under subsection (a):



- 1 (1) The aggregate amount of state gross retail and use taxes that
- 2 are remitted under IC 6-2.5 by businesses operating in the
- 3 certified technology park, until the amount of state gross retail
- 4 and use taxes deposited equals the gross retail incremental
- 5 amount for the certified technology park.
- 6 (2) The aggregate amount of the following taxes paid by
- 7 employees employed in the certified technology park with respect
- 8 to wages earned for work in the certified technology park, until
- 9 the amount deposited equals the income tax incremental amount:
- 10 (A) The adjusted gross income tax.
- 11 (B) The county adjusted gross income tax.
- 12 (C) The county option income tax.
- 13 (D) The county economic development income tax.
- 14 (c) **Except as provided in subsection (d)**, not more than a total of
- 15 five million dollars (\$5,000,000) may be deposited in a particular
- 16 incremental tax financing fund for a certified technology park over the
- 17 life of the certified technology park.
- 18 **(d) In the case of a certified technology park that is operating**
- 19 **under a written agreement entered into by two (2) or more**
- 20 **redevelopment commissions, and subject to section 26(b)(4) of this**
- 21 **chapter:**
- 22 **(1) not more than a total of five million dollars (\$5,000,000)**
- 23 **may be deposited over the life of the certified technology park**
- 24 **in the incremental tax financing fund of each redevelopment**
- 25 **commission participating in the operation of the certified**
- 26 **technology park; and**
- 27 **(2) the total amount that may be deposited in all incremental**
- 28 **tax financing funds over the life of the certified technology**
- 29 **park, in aggregate, may not exceed the result of:**
- 30 **(A) five million dollars (\$5,000,000); multiplied by**
- 31 **(B) the number of redevelopment commissions that have**
- 32 **entered into a written agreement for the operation of the**
- 33 **certified technology park.**
- 34 ~~(d)~~ (e) On or before the twentieth day of each month, all amounts
- 35 held in the incremental tax financing fund established for a certified
- 36 technology park shall be distributed to the redevelopment commission
- 37 for deposit in the certified technology park fund established under
- 38 section 23 of this chapter.
- 39 SECTION 16. IC 36-7-32-26, AS ADDED BY P.L.203-2005,
- 40 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 41 JULY 1, 2015]: Sec. 26. (a) Two (2) or more redevelopment
- 42 commissions may enter into a written agreement under this section to



1 jointly undertake economic development projects in the certified
 2 technology parks established by the redevelopment commissions that
 3 are parties to the agreement.

4 (b) A party to an agreement under this section may do one (1) or
 5 more of the following:

6 (1) Except as provided in subsection (c), grant one (1) or more of
 7 its powers to another party to the agreement.

8 (2) Exercise any power granted to it by a party to the agreement.

9 (3) Pledge any of its revenues, including taxes or allocated taxes
 10 under section 17 of this chapter, to the bonds or lease rental
 11 obligations of another party to the agreement under IC 5-1-14-4.

12 **(4) Agree to allocate a part of the maximum amount that may**
 13 **be deposited in the party's incremental tax financing fund to**
 14 **one (1) or more other parties to the agreement.**

15 (c) A redevelopment commission may not grant to another
 16 redevelopment commission the power to tax or to establish an
 17 allocation area under this chapter.

18 (d) An action to challenge the validity of an agreement under this
 19 section must be brought not more than thirty (30) days after the
 20 agreement has been approved by all the parties to the agreement. After
 21 that period has passed, the agreement is not contestable for any cause.

22 SECTION 17. [EFFECTIVE UPON PASSAGE] **(a) The legislative**
 23 **council is urged to request the appropriate study committee to**
 24 **study during the 2015 legislative interim the issue of alternative**
 25 **means of agricultural land assessment.**

26 **(b) This SECTION expires January 1, 2016.**

27 SECTION 18. [EFFECTIVE JULY 1, 2015] **(a) IC 6-1.1-3-1,**
 28 **IC 6-1.1-3-7, IC 6-1.1-3-10, and IC 6-1.1-37-7, all as amended by**
 29 **this act, apply to assessment dates after December 31, 2015.**

30 **(b) This SECTION expires January 1, 2019.**

31 SECTION 19. [EFFECTIVE MARCH 1, 2015 (RETROACTIVE)]
 32 **(a) IC 6-1.1-4-13, as amended by this act, applies to assessment**
 33 **dates after February 28, 2015.**

34 **(b) This SECTION expires January 1, 2019.**

35 SECTION 20. An emergency is declared for this act.



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 436, 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 5, delete lines 34 through 42.

Page 6, delete lines 1 through 22.

Page 6, line 42, delete "or".

Page 7, line 3, after "guidelines;" insert "or

(4) land devoted to the harvesting of hardwood timber;".

Page 7, line 4, after "use." insert "**Agricultural use for purposes of this section includes but is not limited to the uses included in the definition of "agricultural use" in IC 36-7-4-616(b), such as the production of livestock or livestock products, commercial aquaculture, equine or equine products, land designated as a conservation reserve plan, pastureland, poultry or poultry products, horticultural or nursery stock, fruit, vegetables, forage, grains, timber, trees, bees and apiary products, tobacco, other agricultural crops, general farming operation purposes, native lands, or land that lays fallow. Agricultural use may not be determined by the size of a parcel or size of a part of the parcel. This subsection does not affect the assessment of any real property assessed under IC 6-1.1-6 (assessment of certain forest lands), IC 6-1.1-6.2 (assessment of certain windbreaks), or IC 6-1.1-6.7 (assessment of filter strips).**".

Page 7, after line 42, begin a new paragraph and insert:

"SECTION 7. IC 6-1.1-4-43 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2015 (RETROACTIVE)]: **Sec. 43. (a) Except as otherwise provided, this section applies to the following:**

(1) Real property assessed on the March 1, 2015, assessment date and assessment dates thereafter.

(2) Real property assessed on assessment dates preceding the March 1, 2015, assessment date, if an administrative appeal or judicial proceeding concerning the assessment is pending on March 1, 2015, regardless of whether a hearing or oral argument has been held in the administrative appeal or judicial proceeding.

(b) The valuation requirements in this section do not apply to property that is assessed as provided in any of the following:

(1) IC 6-1.1-4-39.

(2) IC 6-1.1-4-39.5.

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(3) IC 6-1.1-4-40 and IC 6-1.1-4-41.

(4) IC 6-1.1-4-42.

(5) IC 6-1.1-8.5.

(6) IC 6-1.1-8.7.

(c) The valuation requirements in this section do not apply to the assessment of real property after the real property is sold in an arm's length sale transaction. An arm's length sale transaction does not include a transaction in which the original owner or the initial intended user of the real property, or both the original owner and the initial intended user, remain affiliated with the property as an owner of any percentage interest or as a tenant.

(d) As used in this section, "chain stores" means a group of similar establishments that:

(1) have similar architecture, store design, and choice of product or service using standardized business methods and practices that are spread statewide, nationwide, or worldwide; and

(2) have a central headquarters or are operated under franchise contracts.

(e) As used in this section, "sale-leaseback" means a transaction in which one (1) party sells a property to a buyer, and the buyer leases the property back to the seller.

(f) As used in this section, "special purpose property" means a property that meets the following conditions:

(1) The property has one (1) or more of the following characteristics:

(A) A unique physical design that enhances the utility to the person for whom the structure is built, either the owner-occupant or tenant of the property.

(B) Special construction materials that enhance the utility to the person for whom the structure is built, either the owner-occupant or tenant of the property.

(C) A layout that enhances the utility to the person for whom the structure is built, either the owner-occupant or tenant of the property.

(2) The utility of the structure to the first owner-occupant or tenant is significantly higher than the utility that is passed on to the secondary market, because of the willingness of the first owner-occupant or tenant to incur the costs of land acquisition or improvement construction.

The term includes buildings of fifty thousand (50,000) square feet or more (commonly referred to as big box stores), fast food



restaurant chain properties, national retail drugstores, movie theaters, home improvement chain stores, dining lounge chain properties, industrial properties, banks, fitness club properties, and chain stores.

(g) Under its authority to provide for a system of assessment and taxation characterized by uniformity, equality, and just valuation based on property wealth, the general assembly finds that the market value-in-use of special purpose properties and sale-leaseback properties shall be determined as provided in this section. The market value-in-use of special purpose properties and sale-leaseback properties is equal to the value derived from applying the cost approach. Land value used for purposes of this subsection is equal to the amount paid for the land, with the only adjustments being the annual adjustments under section 4.5 of this chapter. Improvement value used for purposes of this subsection is the cost of improvements as specified in the property owner's books and records, less depreciation, for federal tax purposes. Further evidence of the actual cost includes construction costs, including all direct and indirect expenses, such as costs of all improvements, management fees, site improvements, architect fees, labor, builder overhead, and similar costs. Upon written request, the owner or occupant of the property must provide information concerning actual construction costs and federal tax schedules to the county assessor in order for the appeals process provided for in IC 6-1.1-15 to proceed.

SECTION 8. IC 6-1.1-10-16.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 16.8. (a) This section applies to a dwelling or other building that is situated in a special flood hazard area as designated by the Federal Emergency Management Agency in which the mandatory purchase of flood insurance applies.**

(b) The basement of a dwelling or other building described in subsection (a) is exempt from property taxation if:

- (1) the basement floor level has been elevated to mitigate the risk of flooding; and**
- (2) as a result, the basement is rendered unusable as living space.**

SECTION 9. IC 6-1.1-12-37, AS AMENDED BY P.L.166-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 37. (a) The following definitions apply throughout this section:**



- (1) "Dwelling" means any of the following:
- (A) Residential real property improvements that an individual uses as the individual's residence, including a house or garage.
 - (B) A mobile home that is not assessed as real property that an individual uses as the individual's residence.
 - (C) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.
- (2) "Homestead" means an individual's principal place of residence:
- (A) that is located in Indiana;
 - (B) that:
 - (i) the individual owns;
 - (ii) the individual is buying under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence **and that obligates the owner to convey title to the individual upon completion of all of the individual's contract obligations;**
 - (iii) the individual is entitled to occupy as a tenant-stockholder (as defined in 26 U.S.C. 216) of a cooperative housing corporation (as defined in 26 U.S.C. 216); or
 - (iv) is a residence described in section 17.9 of this chapter that is owned by a trust if the individual is an individual described in section 17.9 of this chapter; and
 - (C) that consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

Except as provided in subsection (k), the term does not include property owned by a corporation, partnership, limited liability company, or other entity not described in this subdivision.

(b) Each year a homestead is eligible for a standard deduction from the assessed value of the homestead for an assessment date. Except as provided in subsection (p), the deduction provided by this section applies to property taxes first due and payable for an assessment date only if an individual has an interest in the homestead described in subsection (a)(2)(B) on:

- (1) the assessment date; or
- (2) any date in the same year after an assessment date that a statement is filed under subsection (e) or section 44 of this chapter, if the property consists of real property.

Subject to subsection (c), the auditor of the county shall record and make the deduction for the individual or entity qualifying for the



deduction.

(c) Except as provided in section 40.5 of this chapter, the total amount of the deduction that a person may receive under this section for a particular year is the lesser of:

- (1) sixty percent (60%) of the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property; or
- (2) forty-five thousand dollars (\$45,000).

(d) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

(e) Except as provided in sections 17.8 and 44 of this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by this section must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the homestead is located. The statement must include:

- (1) the parcel number or key number of the property and the name of the city, town, or township in which the property is located;
- (2) the name of any other location in which the applicant or the applicant's spouse owns, is buying, or has a beneficial interest in residential real property;
- (3) the names of:
 - (A) the applicant and the applicant's spouse (if any):
 - (i) as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number; or
 - (ii) that they use as their legal names when they sign their names on legal documents;
 if the applicant is an individual; or
 - (B) each individual who qualifies property as a homestead under subsection (a)(2)(B) and the individual's spouse (if any):
 - (i) as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number; or
 - (ii) that they use as their legal names when they sign their



names on legal documents;
if the applicant is not an individual; and

(4) either:

(A) the last five (5) digits of the applicant's Social Security number and the last five (5) digits of the Social Security number of the applicant's spouse (if any); or

(B) if the applicant or the applicant's spouse (if any) does not have a Social Security number, any of the following for that individual:

(i) The last five (5) digits of the individual's driver's license number.

(ii) The last five (5) digits of the individual's state identification card number.

(iii) If the individual does not have a driver's license or a state identification card, the last five (5) digits of a control number that is on a document issued to the individual by the federal government and determined by the department of local government finance to be acceptable.

If a form or statement provided to the county auditor under this section, IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or part or all of the Social Security number of a party or other number described in subdivision (4)(B) of a party, the telephone number and the Social Security number or other number described in subdivision (4)(B) included are confidential. The statement may be filed in person or by mail. If the statement is mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the deduction is allowed. With respect to real property, the statement must be completed and dated in the calendar year for which the person desires to obtain the deduction and filed with the county auditor on or before January 5 of the immediately succeeding calendar year. With respect to a mobile home that is not assessed as real property, the person must file the statement during the twelve (12) months before March 31 of the year for which the person desires to obtain the deduction.

(f) If an individual who is receiving the deduction provided by this section or who otherwise qualifies property for a deduction under this section:

(1) changes the use of the individual's property so that part or all of the property no longer qualifies for the deduction under this section; or

(2) is no longer eligible for a deduction under this section on another parcel of property because:



(A) the individual would otherwise receive the benefit of more than one (1) deduction under this chapter; or

(B) the individual maintains the individual's principal place of residence with another individual who receives a deduction under this section;

the individual must file a certified statement with the auditor of the county, notifying the auditor of the change of use, not more than sixty (60) days after the date of that change. An individual who fails to file the statement required by this subsection is liable for any additional taxes that would have been due on the property if the individual had filed the statement as required by this subsection plus a civil penalty equal to ten percent (10%) of the additional taxes due. The civil penalty imposed under this subsection is in addition to any interest and penalties for a delinquent payment that might otherwise be due. One percent (1%) of the total civil penalty collected under this subsection shall be transferred by the county to the department of local government finance for use by the department in establishing and maintaining the homestead property data base under subsection (i) and, to the extent there is money remaining, for any other purposes of the department. This amount becomes part of the property tax liability for purposes of this article.

(g) The department of local government finance shall adopt rules or guidelines concerning the application for a deduction under this section.

(h) This subsection does not apply to property in the first year for which a deduction is claimed under this section if the sole reason that a deduction is claimed on other property is that the individual or married couple maintained a principal residence at the other property on March 1 in the same year in which an application for a deduction is filed under this section or, if the application is for a homestead that is assessed as personal property, on March 1 in the immediately preceding year and the individual or married couple is moving the individual's or married couple's principal residence to the property that is the subject of the application. Except as provided in subsection (n), the county auditor may not grant an individual or a married couple a deduction under this section if:

(1) the individual or married couple, for the same year, claims the deduction on two (2) or more different applications for the deduction; and

(2) the applications claim the deduction for different property.

(i) The department of local government finance shall provide secure access to county auditors to a homestead property data base that



includes access to the homestead owner's name and the numbers required from the homestead owner under subsection (e)(4) for the sole purpose of verifying whether an owner is wrongly claiming a deduction under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or IC 6-3.5.

(j) A county auditor may require an individual to provide evidence proving that the individual's residence is the individual's principal place of residence as claimed in the certified statement filed under subsection (e). The county auditor may limit the evidence that an individual is required to submit to a state income tax return, a valid driver's license, or a valid voter registration card showing that the residence for which the deduction is claimed is the individual's principal place of residence. The department of local government finance shall work with county auditors to develop procedures to determine whether a property owner that is claiming a standard deduction or homestead credit is not eligible for the standard deduction or homestead credit because the property owner's principal place of residence is outside Indiana.

(k) As used in this section, "homestead" includes property that satisfies each of the following requirements:

- (1) The property is located in Indiana and consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.
- (2) The property is the principal place of residence of an individual.
- (3) The property is owned by an entity that is not described in subsection (a)(2)(B).
- (4) The individual residing on the property is a shareholder, partner, or member of the entity that owns the property.
- (5) The property was eligible for the standard deduction under this section on March 1, 2009.

(l) If a county auditor terminates a deduction for property described in subsection (k) with respect to property taxes that are:

- (1) imposed for an assessment date in 2009; and
- (2) first due and payable in 2010;

on the grounds that the property is not owned by an entity described in subsection (a)(2)(B), the county auditor shall reinstate the deduction if the taxpayer provides proof that the property is eligible for the deduction in accordance with subsection (k) and that the individual residing on the property is not claiming the deduction for any other property.

(m) For assessment dates after 2009, the term "homestead" includes:

- (1) a deck or patio;



- (2) a gazebo; or
- (3) another residential yard structure, as defined in rules adopted by the department of local government finance (other than a swimming pool);

that is assessed as real property and attached to the dwelling.

(n) A county auditor shall grant an individual a deduction under this section regardless of whether the individual and the individual's spouse claim a deduction on two (2) different applications and each application claims a deduction for different property if the property owned by the individual's spouse is located outside Indiana and the individual files an affidavit with the county auditor containing the following information:

- (1) The names of the county and state in which the individual's spouse claims a deduction substantially similar to the deduction allowed by this section.
- (2) A statement made under penalty of perjury that the following are true:
 - (A) That the individual and the individual's spouse maintain separate principal places of residence.
 - (B) That neither the individual nor the individual's spouse has an ownership interest in the other's principal place of residence.
 - (C) That neither the individual nor the individual's spouse has, for that same year, claimed a standard or substantially similar deduction for any property other than the property maintained as a principal place of residence by the respective individuals.

A county auditor may require an individual or an individual's spouse to provide evidence of the accuracy of the information contained in an affidavit submitted under this subsection. The evidence required of the individual or the individual's spouse may include state income tax returns, excise tax payment information, property tax payment information, driver license information, and voter registration information.

(o) If:

- (1) a property owner files a statement under subsection (e) to claim the deduction provided by this section for a particular property; and
 - (2) the county auditor receiving the filed statement determines that the property owner's property is not eligible for the deduction;
- the county auditor shall inform the property owner of the county auditor's determination in writing. If a property owner's property is not eligible for the deduction because the county auditor has determined



that the property is not the property owner's principal place of residence, the property owner may appeal the county auditor's determination to the county property tax assessment board of appeals as provided in IC 6-1.1-15. The county auditor shall inform the property owner of the owner's right to appeal to the county property tax assessment board of appeals when the county auditor informs the property owner of the county auditor's determination under this subsection.

(p) An individual is entitled to the deduction under this section for a homestead for a particular assessment date if:

(1) either:

(A) the individual's interest in the homestead as described in subsection (a)(2)(B) is conveyed to the individual after the assessment date, but within the calendar year in which the assessment date occurs; or

(B) the individual contracts to purchase the homestead after the assessment date, but within the calendar year in which the assessment date occurs;

(2) on the assessment date:

(A) the property on which the homestead is currently located was vacant land; or

(B) the construction of the dwelling that constitutes the homestead was not completed;

(3) either:

(A) the individual files the certified statement required by subsection (e) on or before December 31 of the calendar year in which the assessment date occurs to claim the deduction under this section; or

(B) a sales disclosure form that meets the requirements of section 44 of this chapter is submitted to the county assessor on or before December 31 of the calendar year for the individual's purchase of the homestead; and

(4) the individual files with the county auditor on or before December 31 of the calendar year in which the assessment date occurs a statement that:

(A) lists any other property for which the individual would otherwise receive a deduction under this section for the assessment date; and

(B) cancels the deduction described in clause (A) for that property.

An individual who satisfies the requirements of subdivisions (1) through (4) is entitled to the deduction under this section for the



homestead for the assessment date, even if on the assessment date the property on which the homestead is currently located was vacant land or the construction of the dwelling that constitutes the homestead was not completed. The county auditor shall apply the deduction for the assessment date and for the assessment date in any later year in which the homestead remains eligible for the deduction. A homestead that qualifies for the deduction under this section as provided in this subsection is considered a homestead for purposes of section 37.5 of this chapter and IC 6-1.1-20.6. The county auditor shall cancel the deduction under this section for any property that is located in the county and is listed on the statement filed by the individual under subdivision (4). If the property listed on the statement filed under subdivision (4) is located in another county, the county auditor who receives the statement shall forward the statement to the county auditor of that other county, and the county auditor of that other county shall cancel the deduction under this section for that property.

(q) This subsection applies to an application for the deduction provided by this section that is filed for an assessment date occurring after December 31, 2013. Notwithstanding any other provision of this section, an individual buying a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property under a contract providing that the individual is to pay the property taxes on the mobile home or manufactured home is not entitled to the deduction provided by this section unless the parties to the contract comply with IC 9-17-6-17.

(r) This subsection:

(1) applies to an application for the deduction provided by this section that is filed for an assessment date occurring after December 31, 2013; and

(2) does not apply to an individual described in subsection (q).

The owner of a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property must attach a copy of the owner's title to the mobile home or manufactured home to the application for the deduction provided by this section.

(s) For assessment dates after 2013, the term "homestead" includes property that is owned by an individual who:

(1) is serving on active duty in any branch of the armed forces of the United States;

(2) was ordered to transfer to a location outside Indiana; and

(3) was otherwise eligible, without regard to this subsection, for the deduction under this section for the property for the assessment date immediately preceding the transfer date specified



in the order described in subdivision (2). For property to qualify under this subsection for the deduction provided by this section, the individual described in subdivisions (1) through (3) must submit to the county auditor a copy of the individual's transfer orders or other information sufficient to show that the individual was ordered to transfer to a location outside Indiana. The property continues to qualify for the deduction provided by this section until the individual ceases to be on active duty, the property is sold, or the individual's ownership interest is otherwise terminated, whichever occurs first. Notwithstanding subsection (a)(2), the property remains a homestead regardless of whether the property continues to be the individual's principal place of residence after the individual transfers to a location outside Indiana. However, the property ceases to qualify as a homestead under this subsection if the property is leased while the individual is away from Indiana. Property that qualifies as a homestead under this subsection shall also be construed as a homestead for purposes of section 37.5 of this chapter."

Page 12, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 12. IC 6-1.1-18.5-22.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 22.3. (a) This section applies only to Brown County due to unique circumstances regarding the approval of budgets and the resulting property tax levies for various county funds in 2013 through 2014.**

(b) If the county fiscal body adopts an ordinance before October 1, 2015, to impose a property tax levy in 2016 and in 2017 under this section, the department shall permit the county to impose the levy in each of those years. The property tax levy:

(1) is not subject to the maximum permissible ad valorem property tax levy limits otherwise applicable to the county under this chapter; and

(2) may not be considered in calculating the maximum permissible ad valorem property tax levy limits otherwise applicable to the county under this chapter.

(c) The amount of the property tax levy that may be imposed by the county each year under this section in 2016 and in 2017 is four hundred seventy-eight thousand one hundred fifteen dollars (\$478,115) in each of those years.

(d) The money received from a property tax levy under this section must be deposited in a separate fund. The money in the fund may be used by the county only to make transfers to the county funds that were affected in 2013 through 2014 by the



unique circumstances regarding the approval of budgets and the resulting property tax levies, in the amounts determined to be appropriate by the department.

(e) This section expires June 30, 2020.

SECTION 13. IC 6-1.1-18.5-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 23. (a) This section applies to the following townships in Hancock County:**

- (1) Brown Township.**
- (2) Jackson Township.**
- (3) Blue River Township.**

(b) The executive of a township listed in subsection (a) may, after approval by the fiscal body of the township, submit a petition to the department of local government finance requesting an increase in the maximum permissible ad valorem property tax levy for the township's general fund.

(c) If the executive of a township submits a petition under subsection (b), the department of local government finance shall increase the maximum permissible ad valorem property tax levy for the township's general fund for property taxes first due and payable after December 31, 2015, by an amount equal to the lesser of the following:

- (1) Twenty-five thousand dollars (\$25,000).**
- (2) The sum of the following:**
 - (A) The amount necessary to make the maximum permissible ad valorem property tax levy for the township's general fund equal to the maximum permissible ad valorem property tax levy that would have applied to the township's general fund under section 3 of this chapter for property taxes first due and payable after December 31, 2015, if in each year, beginning in 2003 and ending in 2015, the township had imposed the maximum permissible ad valorem property tax levy for the township's general fund in each of those years (regardless of whether the township did impose the entire amount of the maximum permissible ad valorem property tax levy for the township's general fund).**
 - (B) The amount necessary to make the maximum permissible ad valorem property tax levy under section 3 of this chapter for the township's firefighting fund under IC 36-8-13 equal to the maximum permissible ad valorem property tax levy under section 3 of this chapter that**



would have applied to the township's firefighting fund for property taxes first due and payable after December 31, 2015, if in each year, beginning in 2003 and ending in 2015, the township had imposed the maximum permissible ad valorem property tax levy for the township's firefighting fund in each of those years (regardless of whether the township did impose the entire amount of the maximum permissible ad valorem property tax levy for the township's firefighting fund)."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 436 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 12, Nays 0.

