



March 27, 2015

ENGROSSED HOUSE BILL No. 1388

DIGEST OF HB 1388 (Updated March 24, 2015 1:26 pm - DI 73)

Citations Affected: IC 6-1.1; IC 32-25.5; noncode.

Synopsis: Property tax matters. Specifies that if a taxpayer files an amended personal property tax return for a year: (1) before July 16 of that year, the taxpayer shall pay the taxes payable in the immediately succeeding year based on the assessed value reported on the amended return; or (2) after July 15 of that year, the taxpayer shall pay the taxes payable in the immediately succeeding year based on the assessed value reported on the original personal property tax return. Requires a public utility company to file its property tax return with the department of local government finance (DLGF) on or before April 1 (rather than March 1, under current law). Provides that on or before July 1 of each year, for years ending before January 1, 2017, and on or before June 15, for years beginning after December 31, 2016, (rather than June 1 under current law), the DLGF shall certify to the county assessor and the county auditor of each county the distributable property assessed values that the DLGF determines are distributable to the taxing districts of the county. Deletes a provision in current law requiring a county auditor to cancel a standard deduction for a
(Continued next page)

Effective: Upon passage; January 1, 2011 (retroactive); July 1, 2015.

Leonard

(SENATE SPONSORS — MISHLER, KENLEY, FORD, BRODEN)

January 14, 2015, read first time and referred to Committee on Ways and Means.
February 17, 2015, amended, reported — Do Pass.
February 19, 2015, read second time, ordered engrossed. Engrossed.
February 23, 2015, read third time, passed. Yeas 80, nays 16.

SENATE ACTION

February 25, 2015, read first time and referred to Committee on Tax & Fiscal Policy.
March 26, 2015, amended, reported favorably — Do Pass.

EH 1388—LS 6691/DI 73



homestead under certain circumstances in which: (1) the taxpayer acquires an interest in or contracts to purchase a second homestead after the assessment date; and (2) on the assessment date, the property on which that second homestead is located was vacant land or the construction of the dwelling that constitutes the second homestead was not completed. Removes requirements for the DLGF to adopt rules for the administration of certain property tax deductions and exemptions. Voids certain department of local government finance rules. Specifies that the calculation of the amount of the levy for a debt service fund is based on a budget year (instead of an ensuing year under current law). Provides that the maximum amount allowed for an operating balance in a debt service fund is the sum of the maximum allowable operating balance for each debt included in the debt service fund. Provides that a common area is exempt from property taxation. Defines "common area" as a parcel of land in a residential development that: (1) is legally reserved for the exclusive use and enjoyment of all lot owners; (2) is owned by the developer, or each lot owner, or a person or entity that holds title to the land in a fiduciary capacity for the benefit of the lot owners; (3) cannot be transferred for value to another party without the approval of the lot owners; (4) does not include a Class 2 structure; and (5) is not designed or approved for the construction of a Class 2 structure. Provides that certain tangible property is exempt from property taxation if the tangible property is owned by an agricultural organization that is exempt from federal income taxation under Section 501(c)(5) of the Internal Revenue Code. Provides that the exemption is retroactive to the 2011 assessment date. Provides that eligible taxpayers may submit exemption applications before September 1, 2015, for property tax exemptions for eligible properties with respect to the 2011 through 2015 assessment dates. Provides that an eligible taxpayer is entitled to a property tax exemption if the county assessor finds that the parcel would have qualified for an exemption if the retroactive exemption had been in place on the covered assessment dates. Provides that an eligible taxpayer is entitled to a refund for any back taxes, penalties, and interest paid with respect to the eligible property. Provides that refunds may be paid in two annual installments. Requires the county property tax assessment board of appeals to send notice of a scheduled hearing on a review of an assessment or deduction to a taxpayer's representative. Specifies that the statute governing homeowners associations established after June 30, 2009, applies only to homeowners associations authorized to impose mandatory dues on their members.



March 27, 2015

First Regular Session of the 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.

ENGROSSED HOUSE BILL No. 1388

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 6-1.1-3-7.5, AS AMENDED BY P.L.111-2014,
2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 7.5. (a) A taxpayer may file an amended
4 personal property tax return, in conformity with the rules adopted by
5 the department of local government finance, not more than six (6)
6 months, if the filing date for the original personal property tax return
7 is before May 15, 2011, or twelve (12) months, if the filing date for the
8 original personal property tax return is after May 14, 2011, after the
9 later of the following:
10 (1) The filing date for the original personal property tax return, if
11 the taxpayer is not granted an extension in which to file under
12 section 7 of this chapter.
13 (2) The extension date for the original personal property tax
14 return, if the taxpayer is granted an extension under section 7 of

EH 1388—LS 6691/DI 73



1 this chapter.

2 (b) A tax adjustment related to an amended personal property tax
3 return shall be made in conformity with rules adopted under IC 4-22-2
4 by the department of local government finance.

5 (c) If a taxpayer wishes to correct an error made by the taxpayer on
6 the taxpayer's original personal property tax return, the taxpayer must
7 file an amended personal property tax return under this section within
8 the time required by subsection (a). A taxpayer may claim on an
9 amended personal property tax return any adjustment or exemption that
10 would have been allowable under any statute or rule adopted by the
11 department of local government finance if the adjustment or exemption
12 had been claimed on the original personal property tax return.

13 (d) Notwithstanding any other provision, if:

14 (1) a taxpayer files an amended personal property tax return under
15 this section in order to correct an error made by the taxpayer on
16 the taxpayer's original personal property tax return; and

17 (2) the taxpayer is entitled to a refund of personal property taxes
18 paid by the taxpayer under the original personal property tax
19 return;

20 the taxpayer is not entitled to interest on the refund.

21 (e) If a taxpayer files an amended personal property tax return for
22 an assessment date in a year, the taxpayer shall pay taxes payable in the
23 immediately succeeding year based on the assessed value reported on
24 the amended return as follows: a year before July 16 of that year, the
25 taxpayer shall pay taxes payable in the immediately succeeding
26 year based on the assessed value reported on the amended return.

27 (1) If the assessment date occurs in a year ending before January
28 1, 2016, the taxpayer shall pay taxes based on the assessed values
29 reported on an amended return only if the amended return is filed
30 on or before July 15 of that year.

31 (2) If the assessment date occurs in a year ending after December
32 31, 2015, the taxpayer shall pay taxes based on the assessed
33 values reported on the amended return only if the amended return
34 is filed on or before April 1 of that year.

35 (f) If a taxpayer files an amended personal property tax return for an
36 assessment date in a year after July 15 of that year, for an assessment
37 date in a year ending before January 1, 2016, and after April 1 of that
38 year for an assessment date in a year beginning after December 31,
39 2015, the taxpayer shall pay taxes payable in the immediately
40 succeeding year based on the assessed value reported on the taxpayer's
41 original personal property tax return. Subject to subsection (l), a
42 taxpayer that paid taxes under this subsection is entitled to a credit in



1 the amount of taxes paid by the taxpayer on the remainder of:

2 (1) the assessed value reported on the taxpayer's original personal
3 property tax return; minus

4 (2) the finally determined assessed value that results from the
5 filing of the taxpayer's amended personal property tax return.

6 Except as provided in subsection (k), the county auditor may apply the
7 credit against the taxpayer's property taxes on personal property
8 payable in the year or years that immediately succeed the year in which
9 the taxes were paid, as applicable. The county is not required to pay
10 interest on any amounts that a taxpayer is entitled to receive as a credit
11 under this section.

12 (g) A county auditor may carry a credit to which the taxpayer is
13 entitled under subsection (f) forward to the immediately succeeding
14 year or years, as applicable, and use the credit against the taxpayer's
15 property taxes on personal property as follows:

16 (1) If the amount of the credit to which the taxpayer is initially
17 entitled under subsection (f) does not exceed twenty-five
18 thousand dollars (\$25,000), the county auditor may carry the
19 credit forward to the year immediately succeeding the year in
20 which the taxes were paid.

21 (2) If the amount of the credit to which the taxpayer is initially
22 entitled under subsection (f) exceeds twenty-five thousand dollars
23 (\$25,000), the county auditor may carry the credit forward for not
24 more than three (3) consecutive years immediately succeeding the
25 year in which the taxes were paid.

26 The credit is reduced each time the credit is applied to the taxpayer's
27 property taxes on personal property in succeeding years by the amount
28 applied.

29 (h) If an excess credit remains after the credit is applied in the final
30 year to which the credit may be carried forward under subsection (g),
31 the county auditor shall refund to the taxpayer the amount of any
32 excess credit that remains after application of the credit under
33 subsection (g) not later than December 31 of the final year to which the
34 excess credit may be carried.

35 (i) The taxpayer is not required to file an application for:

36 (1) a credit under subsection (f) or (g); or

37 (2) a refund under subsection (h).

38 (j) Before August 1 of each year, the county auditor shall provide to
39 each taxing unit in the county an estimate of the total amount of the
40 credits under subsection (f) or (g) that will be applied against taxes
41 imposed by the taxing unit that are payable in the immediately
42 succeeding year.



1 (k) A county auditor may refund a credit amount to a taxpayer
 2 before the time the credit would otherwise be applied against property
 3 tax payments under this section.

4 (l) If a person:

5 (1) files an amended personal property tax return more than six
 6 (6) months, but less than twelve (12) months, after the filing date
 7 or (if the taxpayer is granted an extension under section 7 of this
 8 chapter) the extension date for the original personal property tax
 9 return being amended; and

10 (2) is entitled to a credit or refund as a result of the amended
 11 return;

12 the county auditor shall reduce the credit or refund payable to the
 13 person. The amount of the reduction is ten percent (10%) of the credit
 14 or refund amount.

15 SECTION 2. IC 6-1.1-8-19, AS AMENDED BY P.L.183-2014,
 16 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 UPON PASSAGE]: Sec. 19. (a) Each year a public utility company
 18 shall file a statement concerning the value and description of the
 19 property which is either owned or used by the company on the
 20 assessment date of that year. The company shall file this statement with
 21 the department of local government finance in the manner prescribed
 22 by the department. A public utility company shall file its statement for
 23 a year:

24 (1) on or before ~~March~~ **April** 1st of that year unless the company
 25 is a railroad car company; or

26 (2) on or before July 1st of that year if the company is a railroad
 27 car company.

28 (b) A public utility company may, not later than sixty (60) days after
 29 filing a valid and timely statement under subsection (a), file an
 30 amended statement:

31 (1) for distribution purposes;

32 (2) to correct errors; or

33 (3) for any other reason, except:

34 (A) obsolescence; or

35 (B) the credit for railroad car maintenance and improvements
 36 provided under IC 6-1.1-8.2.

37 SECTION 3. IC 6-1.1-8-27, AS AMENDED BY P.L.111-2014,
 38 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 UPON PASSAGE]: Sec. 27. (a) On or before ~~June~~ **July 1, of each year;**
 40 **for years ending before January 1, 2017, and on or before June 15**
 41 **for years beginning after December 31, 2016,** the department of local
 42 government finance shall

EH 1388—LS 6691/DI 73



1 (1) make a tentative determination of the distributable property
 2 assessed values that are distributable to each taxing unit in
 3 Indiana based on the tentative distributable property assessed
 4 values determined under section 26 of this chapter; and

5 (2) certify to the county assessor and the county auditor of each
 6 county the distributable property assessed values that the
 7 department tentatively determines are distributable to the taxing
 8 districts of the county.

9 The county auditor may use the tentative assessed values received
 10 under this subsection in preparation of the certified statement required
 11 under IC 6-1.1-17-1. The county auditor shall designate these values as
 12 tentative assessment values in the certified statement.

13 (b) As soon as the department of local government finance
 14 determines its final assessments of distributable property, the
 15 department shall certify to the county assessor and the county auditor
 16 of each county the distributable property assessed values which the
 17 department determines are distributable to the taxing districts of the
 18 county. In addition, if a public utility company has appealed the
 19 department of local government finance's final assessment of the
 20 company's distributable property, the department shall notify the county
 21 auditor of the appeal.

22 (c) (b) The county assessor shall review the department of local
 23 government finance's certification under subsection (b) (a) to
 24 determine if any of a public utility company's property which has a
 25 definite situs in the county has been omitted. The county auditor shall
 26 enter for taxation the assessed valuation of a public utility company's
 27 distributable property which the department distributes to a taxing
 28 district of the county.

29 SECTION 4. IC 6-1.1-10-26.5 IS ADDED TO THE INDIANA
 30 CODE AS A NEW SECTION TO READ AS FOLLOWS
 31 [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: **Sec. 26.5. (a)**
 32 **This section applies to an assessment date occurring after**
 33 **December 31, 2010.**

34 (b) **The following tangible property is exempt from property**
 35 **taxation if the tangible property is owned by an agricultural**
 36 **organization that is exempt from federal income taxation under**
 37 **Section 501(c)(5) of the Internal Revenue Code:**

38 (1) **A tract of land of not more than one hundred forty (140)**
 39 **acres on which a county fair has been conducted for at least**
 40 **fifty (50) years.**

41 (2) **The improvements situated on the tract of land.**

42 (3) **The personal property located on the tract of land and**



1 **used for the exempt purposes of the agricultural organization.**

2 SECTION 5. IC 6-1.1-10-37.5 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE UPON PASSAGE]: **Sec. 37.5. (a) As used in this**
5 **section, "common area" means a parcel of land, including**
6 **improvements, in a residential development that:**

7 **(1) is legally reserved for the exclusive use and enjoyment of**
8 **all lot owners, occupants, and their guests, regardless of**
9 **whether a lot owner makes actual use of the land;**

10 **(2) is owned by:**

11 **(A) the developer, or the developer's assignee, provided**
12 **such ownership is in a fiduciary capacity for the exclusive**
13 **benefit of all lot owners in the residential development, and**
14 **the developer has relinquished all rights to transfer the**
15 **property other than to a person or entity that will hold title**
16 **to the property in a fiduciary capacity for the exclusive**
17 **benefit of all lot owners;**

18 **(B) each lot owner within the residential development,**
19 **equally or pro rata; or**

20 **(C) a person, trust, or entity that holds title to the land for**
21 **the benefit of all lot owners within the residential**
22 **development;**

23 **(3) cannot be transferred for value to another party without**
24 **the affirmative approval of:**

25 **(A) all lot owners within the residential development; or**

26 **(B) not less than a majority of all lot owners within the**
27 **residential development, if majority approval is permitted**
28 **under the bylaws or other governing documents of a**
29 **homeowners association, or similar entity;**

30 **(4) does not include a Class 2 structure (as defined in**
31 **IC 22-12-1-5); and**

32 **(5) is not designed or approved for the construction of a Class**
33 **2 structure.**

34 **The term includes, but is not limited to, a lake, pond, street,**
35 **sidewalk, park, green area, trail, wetlands, signage, swimming**
36 **pool, clubhouse, or other features or amenities that benefit all lot**
37 **owners within the residential development.**

38 **(b) As used in this section, "lot owner" means an individual or**
39 **entity that is the owner of record of a lot, parcel, tract, unit, or**
40 **interest within a residential development, upon which a Class 2**
41 **structure (as defined in IC 22-12-1-5) is or will be constructed.**

42 **(c) As used in this section, "residential development" means a**



1 parcel of land that is subdivided into lots, parcels, tracts, units, or
2 interests:

- 3 (1) all of which, except for a common area, include an existing
4 Class 2 structure (as defined in IC 22-12-1-5), or are
5 designated for the construction of a Class 2 structure; and
6 (2) each of which is encumbered by substantively identical
7 restrictive covenants concerning one (1) or more servient
8 estates located within the boundaries of the original undivided
9 parcel, or other governing document of record.

10 (d) Notwithstanding any other provision of this article, a
11 common area is exempt from property taxation, provided that the
12 common area easements and covenants restricting the use and
13 conveyance of common areas to lot owners are recorded, and
14 notice is provided, to the appropriate county or township assessor.

15 (e) A county or township assessor shall designate an area as a
16 common area after:

- 17 (1) receiving notice as provided in subsection (d); and
18 (2) determining that the area is a common area.

19 (f) If a county or township assessor determines that the area is
20 not a common area, or determines that the area fails to meet the
21 requirements of subsection (d), then the county or township
22 assessor shall send a written statement to the owner of the common
23 area not later than thirty (30) days after receiving the notice under
24 subsection (d). The written statement shall contain:

- 25 (1) the specific provisions on which the county or township
26 assessor based the determination; and
27 (2) a statement that the owner of the common area shall have
28 thirty (30) days to address the specific provisions provided in
29 subdivision (1), and to establish the area as a common area
30 that meets the requirements of subsection (d).

31 (g) If a county or township assessor fails to send a written
32 statement to the owner of a common area as required by this
33 section, then the area for which notice was provided in subsection
34 (d) shall be considered a common area for purposes of this section.

35 (h) Once an area has been designated a common area, no
36 subsequent refileing of a common area property tax exemption is
37 required unless an area designated as a common area subsequently
38 fails to meet the definition of a common area as provided in this
39 section.

40 (i) A common area may be created at any time during or after
41 a residential development is created. For purposes of the
42 exemption under this section, a common area may be created or



1 **expanded after the initial approval of the residential development**
 2 **only if that creation or expansion of the common area:**

3 **(1) is approved by:**

- 4 **(A) all lot owners within the residential development; or**
 5 **(B) not less than a majority of all lot owners within the**
 6 **residential development, if majority approval is permitted**
 7 **under the bylaws or other governing documents of a**
 8 **homeowners association, or similar entity; and**

9 **(2) receives any approvals required by the county or**
 10 **municipality in which the common area is located.**

11 **(j) An owner of an area may obtain review by the county**
 12 **property tax assessment board of appeals of a county or township**
 13 **assessor's determination under subsection (f).**

14 SECTION 6. IC 6-1.1-12-11, AS AMENDED BY P.L.1-2010,
 15 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 UPON PASSAGE]: Sec. 11. (a) Except as provided in section 40.5 of
 17 this chapter, an individual may have the sum of twelve thousand four
 18 hundred eighty dollars (\$12,480) deducted from the assessed value of
 19 real property, mobile home not assessed as real property, or
 20 manufactured home not assessed as real property that the individual
 21 owns, or that the individual is buying under a contract that provides
 22 that the individual is to pay property taxes on the real property, mobile
 23 home, or manufactured home, if the contract or a memorandum of the
 24 contract is recorded in the county recorder's office, and if:

- 25 (1) the individual is blind or the individual has a disability;
 26 (2) the real property, mobile home, or manufactured home is
 27 principally used and occupied by the individual as the individual's
 28 residence;
 29 (3) the individual's taxable gross income for the calendar year
 30 preceding the year in which the deduction is claimed did not
 31 exceed seventeen thousand dollars (\$17,000); and

32 (4) the individual:

- 33 (A) owns the real property, mobile home, or manufactured
 34 home; or
 35 (B) is buying the real property, mobile home, or manufactured
 36 home under contract;

37 on the date the statement required by section 12 of this chapter is
 38 filed.

39 (b) For purposes of this section, taxable gross income does not
 40 include income which is not taxed under the federal income tax laws.

41 (c) For purposes of this section, "blind" has the same meaning as the
 42 definition contained in IC 12-7-2-21(1).



1 (d) For purposes of this section, "individual with a disability" means
 2 a person unable to engage in any substantial gainful activity by reason
 3 of a medically determinable physical or mental impairment which:

4 (1) can be expected to result in death; or

5 (2) has lasted or can be expected to last for a continuous period of
 6 not less than twelve (12) months.

7 (e) An individual with a disability filing a claim under this section
 8 shall submit proof of ~~the~~ disability. ~~in such form and manner as the~~
 9 ~~department shall by rule prescribe.~~ Proof that a claimant is eligible to
 10 receive disability benefits under the federal Social Security Act (42
 11 U.S.C. 301 et seq.) shall constitute proof of disability for purposes of
 12 this section.

13 (f) An individual with a disability not covered under the federal
 14 Social Security Act shall be examined by a physician and the
 15 individual's status as an individual with a disability determined by
 16 using the same standards as used by the Social Security Administration.
 17 The costs of this examination shall be borne by the claimant.

18 (g) An individual who has sold real property, a mobile home not
 19 assessed as real property, or a manufactured home not assessed as real
 20 property to another person under a contract that provides that the
 21 contract buyer is to pay the property taxes on the real property, mobile
 22 home, or manufactured home may not claim the deduction provided
 23 under this section against that real property, mobile home, or
 24 manufactured home.

25 SECTION 7. IC 6-1.1-12-37, AS AMENDED BY P.L.166-2014,
 26 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 UPON PASSAGE]: Sec. 37. (a) The following definitions apply
 28 throughout this section:

29 (1) "Dwelling" means any of the following:

30 (A) Residential real property improvements that an individual
 31 uses as the individual's residence, including a house or garage.

32 (B) A mobile home that is not assessed as real property that an
 33 individual uses as the individual's residence.

34 (C) A manufactured home that is not assessed as real property
 35 that an individual uses as the individual's residence.

36 (2) "Homestead" means an individual's principal place of
 37 residence:

38 (A) that is located in Indiana;

39 (B) that:

40 (i) the individual owns;

41 (ii) the individual is buying under a contract; recorded in the
 42 county recorder's office, that provides that the individual is



- 1 to pay the property taxes on the residence;
- 2 (iii) the individual is entitled to occupy as a
- 3 tenant-stockholder (as defined in 26 U.S.C. 216) of a
- 4 cooperative housing corporation (as defined in 26 U.S.C.
- 5 216); or
- 6 (iv) is a residence described in section 17.9 of this chapter
- 7 that is owned by a trust if the individual is an individual
- 8 described in section 17.9 of this chapter; and
- 9 (C) that consists of a dwelling and the real estate, not
- 10 exceeding one (1) acre, that immediately surrounds that
- 11 dwelling.
- 12 Except as provided in subsection (k), the term does not include
- 13 property owned by a corporation, partnership, limited liability
- 14 company, or other entity not described in this subdivision.
- 15 (b) Each year a homestead is eligible for a standard deduction from
- 16 the assessed value of the homestead for an assessment date. Except as
- 17 provided in subsection (p), the deduction provided by this section
- 18 applies to property taxes first due and payable for an assessment date
- 19 only if an individual has an interest in the homestead described in
- 20 subsection (a)(2)(B) on:
- 21 (1) the assessment date; or
- 22 (2) any date in the same year after an assessment date that a
- 23 statement is filed under subsection (e) or section 44 of this
- 24 chapter, if the property consists of real property.
- 25 Subject to subsection (c), the auditor of the county shall record and
- 26 make the deduction for the individual or entity qualifying for the
- 27 deduction.
- 28 (c) Except as provided in section 40.5 of this chapter, the total
- 29 amount of the deduction that a person may receive under this section
- 30 for a particular year is the lesser of:
- 31 (1) sixty percent (60%) of the assessed value of the real property,
- 32 mobile home not assessed as real property, or manufactured home
- 33 not assessed as real property; or
- 34 (2) forty-five thousand dollars (\$45,000).
- 35 (d) A person who has sold real property, a mobile home not assessed
- 36 as real property, or a manufactured home not assessed as real property
- 37 to another person under a contract that provides that the contract buyer
- 38 is to pay the property taxes on the real property, mobile home, or
- 39 manufactured home may not claim the deduction provided under this
- 40 section with respect to that real property, mobile home, or
- 41 manufactured home.
- 42 (e) Except as provided in sections 17.8 and 44 of this chapter and



1 subject to section 45 of this chapter, an individual who desires to claim
 2 the deduction provided by this section must file a certified statement in
 3 duplicate, on forms prescribed by the department of local government
 4 finance, with the auditor of the county in which the homestead is
 5 located. The statement must include:

6 (1) the parcel number or key number of the property and the name
 7 of the city, town, or township in which the property is located;

8 (2) the name of any other location in which the applicant or the
 9 applicant's spouse owns, is buying, or has a beneficial interest in
 10 residential real property;

11 (3) the names of:

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

13 (i) as the names appear in the records of the United States
 14 Social Security Administration for the purposes of the
 15 issuance of a Social Security card and Social Security
 16 number; or

17 (ii) that they use as their legal names when they sign their
 18 names on legal documents;

19 if the applicant is an individual; or

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

22 (i) as the names appear in the records of the United States
 23 Social Security Administration for the purposes of the
 24 issuance of a Social Security card and Social Security
 25 number; or

26 (ii) that they use as their legal names when they sign their
 27 names on legal documents;

28 if the applicant is not an individual; and

29 (4) either:

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

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

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

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

40 (iii) If the individual does not have a driver's license or a
 41 state identification card, the last five (5) digits of a control
 42 number that is on a document issued to the individual by the



1 ~~federal United States~~ government. and determined by the
 2 ~~department of local government finance~~ to be acceptable.

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

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

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

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

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

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

32 the individual must file a certified statement with the auditor of the
 33 county, notifying the auditor of the change of use, not more than sixty
 34 (60) days after the date of that change. An individual who fails to file
 35 the statement required by this subsection is liable for any additional
 36 taxes that would have been due on the property if the individual had
 37 filed the statement as required by this subsection plus a civil penalty
 38 equal to ten percent (10%) of the additional taxes due. The civil penalty
 39 imposed under this subsection is in addition to any interest and
 40 penalties for a delinquent payment that might otherwise be due. One
 41 percent (1%) of the total civil penalty collected under this subsection
 42 shall be transferred by the county to the department of local



1 government finance for use by the department in establishing and
 2 maintaining the homestead property data base under subsection (i) and,
 3 to the extent there is money remaining, for any other purposes of the
 4 department. This amount becomes part of the property tax liability for
 5 purposes of this article.

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

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

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

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

25 (i) The department of local government finance shall provide secure
 26 access to county auditors to a homestead property data base that
 27 includes access to the homestead owner's name and the numbers
 28 required from the homestead owner under subsection (e)(4) for the sole
 29 purpose of verifying whether an owner is wrongly claiming a deduction
 30 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or
 31 IC 6-3.5.

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



1 owner's principal place of residence is outside Indiana.

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

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

7 (2) The property is the principal place of residence of an
8 individual.

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

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

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

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

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

18 (2) first due and payable in 2010;

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

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

26 (1) a deck or patio;

27 (2) a gazebo; or

28 (3) another residential yard structure, as defined in rules **that may**
29 **be** adopted by the department of local government finance (other
30 than a swimming pool);

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

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

39 (1) The names of the county and state in which the individual's
40 spouse claims a deduction substantially similar to the deduction
41 allowed by this section.

42 (2) A statement made under penalty of perjury that the following



- 1 are true:
- 2 (A) That the individual and the individual's spouse maintain
- 3 separate principal places of residence.
- 4 (B) That neither the individual nor the individual's spouse has
- 5 an ownership interest in the other's principal place of
- 6 residence.
- 7 (C) That neither the individual nor the individual's spouse has,
- 8 for that same year, claimed a standard or substantially similar
- 9 deduction for any property other than the property maintained
- 10 as a principal place of residence by the respective individuals.
- 11 A county auditor may require an individual or an individual's spouse to
- 12 provide evidence of the accuracy of the information contained in an
- 13 affidavit submitted under this subsection. The evidence required of the
- 14 individual or the individual's spouse may include state income tax
- 15 returns, excise tax payment information, property tax payment
- 16 information, driver license information, and voter registration
- 17 information.
- 18 (o) If:
- 19 (1) a property owner files a statement under subsection (e) to
- 20 claim the deduction provided by this section for a particular
- 21 property; and
- 22 (2) the county auditor receiving the filed statement determines
- 23 that the property owner's property is not eligible for the deduction;
- 24 the county auditor shall inform the property owner of the county
- 25 auditor's determination in writing. If a property owner's property is not
- 26 eligible for the deduction because the county auditor has determined
- 27 that the property is not the property owner's principal place of
- 28 residence, the property owner may appeal the county auditor's
- 29 determination to the county property tax assessment board of appeals
- 30 as provided in IC 6-1.1-15. The county auditor shall inform the
- 31 property owner of the owner's right to appeal to the county property tax
- 32 assessment board of appeals when the county auditor informs the
- 33 property owner of the county auditor's determination under this
- 34 subsection.
- 35 (p) An individual is entitled to the deduction under this section for
- 36 a homestead for a particular assessment date if:
- 37 (1) either:
- 38 (A) the individual's interest in the homestead as described in
- 39 subsection (a)(2)(B) is conveyed to the individual after the
- 40 assessment date, but within the calendar year in which the
- 41 assessment date occurs; or
- 42 (B) the individual contracts to purchase the homestead after



- 1 the assessment date, but within the calendar year in which the
 2 assessment date occurs;
- 3 (2) on the assessment date:
- 4 (A) the property on which the homestead is currently located
 5 was vacant land; or
- 6 (B) the construction of the dwelling that constitutes the
 7 homestead was not completed;
- 8 (3) either:
- 9 (A) the individual files the certified statement required by
 10 subsection (e) on or before December 31 of the calendar year
 11 in which the assessment date occurs to claim the deduction
 12 under this section; or
- 13 (B) a sales disclosure form that meets the requirements of
 14 section 44 of this chapter is submitted to the county assessor
 15 on or before December 31 of the calendar year for the
 16 individual's purchase of the homestead; and
- 17 (4) the individual files with the county auditor on or before
 18 December 31 of the calendar year in which the assessment date
 19 occurs a statement that
- 20 ~~(A) lists any other property for which the individual would~~
 21 ~~otherwise receive a deduction under this section for the~~
 22 ~~assessment date. and~~
- 23 ~~(B) cancels the deduction described in clause (A) for that~~
 24 ~~property.~~
- 25 An individual who satisfies the requirements of subdivisions (1)
 26 through (4) is entitled to the deduction under this section for the
 27 homestead for the assessment date, even if on the assessment date the
 28 property on which the homestead is currently located was vacant land
 29 or the construction of the dwelling that constitutes the homestead was
 30 not completed. The county auditor shall apply the deduction for the
 31 assessment date and for the assessment date in any later year in which
 32 the homestead remains eligible for the deduction. A homestead that
 33 qualifies for the deduction under this section as provided in this
 34 subsection is considered a homestead for purposes of section 37.5 of
 35 this chapter and IC 6-1.1-20.6. ~~The county auditor shall cancel the~~
 36 ~~deduction under this section for any property that is located in the~~
 37 ~~county and is listed on the statement filed by the individual under~~
 38 ~~subdivision (4). If the property listed on the statement filed under~~
 39 ~~subdivision (4) is located in another county, the county auditor who~~
 40 ~~receives the statement shall forward the statement to the county auditor~~
 41 ~~of that other county, and the county auditor of that other county shall~~
 42 ~~cancel the deduction under this section for that property.~~



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

10 (r) This subsection:

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

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

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

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

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

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

24 (3) was otherwise eligible, without regard to this subsection, for
 25 the deduction under this section for the property for the
 26 assessment date immediately preceding the transfer date specified
 27 in the order described in subdivision (2).

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



1 purposes of section 37.5 of this chapter.
 2 SECTION 8. IC 6-1.1-12.4-2, AS AMENDED BY P.L.112-2012,
 3 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 UPON PASSAGE]: Sec. 2. (a) For purposes of this section, an increase
 5 in the assessed value of real property is determined in the same manner
 6 that an increase in the assessed value of real property is determined for
 7 purposes of IC 6-1.1-12.1.
 8 (b) This subsection applies only to a development, redevelopment,
 9 or rehabilitation that is first assessed after March 1, 2005, and before
 10 March 2, 2007. Except as provided in subsection (h) and sections 4, 5,
 11 and 8 of this chapter, an owner of real property that:
 12 (1) develops, redevelops, or rehabilitates the real property; and
 13 (2) creates or retains employment from the development,
 14 redevelopment, or rehabilitation;
 15 is entitled to a deduction from the assessed value of the real property.
 16 (c) Subject to section 14 of this chapter, the deduction under this
 17 section is first available in the year in which the increase in assessed
 18 value resulting from the development, redevelopment, or rehabilitation
 19 occurs and continues for the following two (2) years. The amount of the
 20 deduction that a property owner may receive with respect to real
 21 property located in a county for a particular year equals the lesser of:
 22 (1) two million dollars (\$2,000,000); or
 23 (2) the product of:
 24 (A) the increase in assessed value resulting from the
 25 development, rehabilitation, or redevelopment; multiplied by
 26 (B) the percentage from the following table:
 27

YEAR OF DEDUCTION	PERCENTAGE
28 1st	75%
29 2nd	50%
30 3rd	25%

 31 (d) A property owner that qualifies for the deduction under this
 32 section must file a notice to claim the deduction. ~~in the manner~~
 33 ~~prescribed by the department of local government finance under rules~~
 34 ~~adopted by the department of local government finance under~~
 35 ~~IC 4-22-2 to implement this chapter.~~ The township assessor, or the
 36 county assessor if there is no township assessor for the township, shall:
 37 (1) inform the county auditor of the real property eligible for the
 38 deduction as contained in the notice filed by the taxpayer under
 39 this subsection; and
 40 (2) inform the county auditor of the deduction amount.
 41 (e) The county auditor shall:
 42 (1) make the deductions; and



- 1 (2) notify the county property tax assessment board of appeals of
 2 all deductions approved;
 3 under this section.
- 4 (f) The amount of the deduction determined under subsection (c)(2)
 5 is adjusted to reflect the percentage increase or decrease in assessed
 6 valuation that results from:
 7 (1) a general reassessment of real property under IC 6-1.1-4-4;
 8 (2) a reassessment under a county's reassessment plan prepared
 9 under IC 6-1.1-4-4.2; or
 10 (3) an annual adjustment under IC 6-1.1-4-4.5.
- 11 (g) If an appeal of an assessment is approved that results in a
 12 reduction of the assessed value of the real property, the amount of the
 13 deduction under this section is adjusted to reflect the percentage
 14 decrease that results from the appeal.
- 15 (h) The deduction under this section does not apply to a facility
 16 listed in IC 6-1.1-12.1-3(e).
- 17 SECTION 9. IC 6-1.1-12.4-13, AS ADDED BY P.L.193-2005,
 18 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 UPON PASSAGE]: Sec. 13. The **rules of the** department of local
 20 government finance ~~shall adopt rules under IC 4-22-2 to implement this~~
 21 ~~chapter.~~ **at 50 IAC 22 concerning procedures governing**
 22 **administration of the investment property tax deduction**
 23 **established under this chapter are void. The publisher of the**
 24 **Indiana Administrative Code shall remove 50 IAC 22 from the**
 25 **Indiana Administrative Code.**
- 26 SECTION 10. IC 6-1.1-12.6-0.5, AS AMENDED BY P.L.1-2009,
 27 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 UPON PASSAGE]: Sec. 0.5. As used in this chapter, "affiliated group"
 29 means any combination of the following:
 30 (1) An affiliated group within the meaning provided in Section
 31 1504 of the Internal Revenue Code (except that the ownership
 32 percentage in Section 1504(a)(2) of the Internal Revenue Code
 33 shall be determined using fifty percent (50%) instead of eighty
 34 percent (80%)) or a relationship described in Section 267(b)(11)
 35 of the Internal Revenue Code.
 36 (2) Two (2) or more partnerships (as defined in IC 6-3-1-19),
 37 including limited liability companies and limited liability
 38 partnerships, that have the same degree of mutual ownership as
 39 an affiliated group described in subdivision (1). ~~as determined~~
 40 ~~under the rules adopted by the department of local government~~
 41 ~~finance.~~
 42 SECTION 11. IC 6-1.1-12.6-3, AS AMENDED BY P.L.183-2014,



1 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 UPON PASSAGE]: Sec. 3. (a) A property owner that qualifies for the
3 deduction under this chapter and that desires to receive the deduction
4 must complete and date a statement containing the information
5 required by subsection (b) in the calendar year for which the person
6 desires to obtain the deduction and file the statement with the county
7 auditor on or before January 5 of the immediately succeeding calendar
8 year. ~~in the manner prescribed in rules adopted under section 9 of this~~
9 ~~chapter.~~ The township assessor shall verify each statement filed under
10 this section, and the county auditor shall:

11 (1) make the deductions; and

12 (2) notify the county property tax assessment board of appeals of
13 all deductions approved;

14 under this section.

15 (b) The statement referred to in subsection (a) must be verified
16 under penalties for perjury and must contain the following information:

17 (1) The assessed value of the real property for which the person
18 is claiming the deduction.

19 (2) The full name and complete business address of the person
20 claiming the deduction.

21 (3) The complete address and a brief description of the real
22 property for which the person is claiming the deduction.

23 (4) The name of any other county in which the person has applied
24 for a deduction under this chapter for that assessment date.

25 (5) The complete address and a brief description of any other real
26 property for which the person has applied for a deduction under
27 this chapter for that assessment date.

28 SECTION 12. IC 6-1.1-12.6-9, AS ADDED BY P.L.70-2008,
29 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 UPON PASSAGE]: Sec. 9. The **rules of the** department of local
31 government finance ~~shall adopt rules under IC 4-22-2 to implement this~~
32 ~~chapter.~~ **at 50 IAC 25 concerning procedures governing**
33 **applications for the model residence property tax deduction**
34 **established under this chapter are void. The publisher of the**
35 **Indiana Administrative Code shall remove 50 IAC 25 from the**
36 **Indiana Administrative Code.**

37 SECTION 13. IC 6-1.1-12.8-4, AS AMENDED BY P.L.183-2014,
38 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 UPON PASSAGE]: Sec. 4. (a) A property owner that qualifies for the
40 deduction under this chapter and that desires to receive the deduction
41 must complete and date a statement containing the information
42 required by subsection (b) in the calendar year for which the person



1 desires to obtain the deduction and file the statement with the county
 2 auditor on or before January 5 of the immediately succeeding calendar
 3 year. ~~in the manner prescribed in rules adopted under section 8 of this~~
 4 ~~chapter.~~ The township assessor, or the county assessor if there is no
 5 township assessor for the township, shall verify each statement filed
 6 under this section, and the county auditor shall:

- 7 (1) make the deductions; and
 8 (2) notify the county property tax assessment board of appeals of
 9 all deductions approved;

10 under this section.

11 (b) The statement referred to in subsection (a) must be verified
 12 under penalties for perjury and must contain the following information:

- 13 (1) The assessed value of the real property for which the person
 14 is claiming the deduction.
 15 (2) The full name and complete business address of the person
 16 claiming the deduction.
 17 (3) The complete address and a brief description of the real
 18 property for which the person is claiming the deduction.
 19 (4) The name of any other county in which the person has applied
 20 for a deduction under this chapter for that assessment date.
 21 (5) The complete address and a brief description of any other real
 22 property for which the person has applied for a deduction under
 23 this chapter for that assessment date.
 24 (6) An affirmation by the owner that the owner is receiving not
 25 more than three (3) deductions under this chapter, including the
 26 deduction being applied for by the owner, either:
 27 (A) as the owner of the residence in inventory; or
 28 (B) as an owner that is part of an affiliated group.
 29 (7) An affirmation that the real property has not been leased and
 30 will not be leased for any purpose during the term of the
 31 deduction.

32 SECTION 14. IC 6-1.1-12.8-8, AS ADDED BY P.L.175-2011,
 33 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 UPON PASSAGE]: Sec. 8. The **rules of the** department of local
 35 government finance ~~shall adopt rules and may adopt emergency rules~~
 36 ~~under IC 4-22-2 to implement this chapter.~~ **at 50 IAC 28 concerning**
 37 **procedures governing applications for the residence in inventory**
 38 **property tax deduction established under this chapter are void.**
 39 **The publisher of the Indiana Administrative Code shall remove 50**
 40 **IAC 28 from the Indiana Administrative Code.**

41 SECTION 15. IC 6-1.1-15-1, AS AMENDED BY P.L.257-2013,
 42 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 UPON PASSAGE]: Sec. 1. (a) A taxpayer may obtain a review by the
 2 county board of a county or township official's action with respect to
 3 **either or both any of the following, or any combination** of the
 4 following:

5 (1) The assessment of the taxpayer's tangible property.

6 (2) A deduction for which a review under this section is
 7 authorized by any of the following:

8 (A) IC 6-1.1-12-25.5.

9 (B) IC 6-1.1-12-28.5.

10 (C) IC 6-1.1-12-35.5.

11 (D) IC 6-1.1-12.1-5.

12 (E) IC 6-1.1-12.1-5.3.

13 (F) IC 6-1.1-12.1-5.4.

14 **(3) A determination concerning a common area under**
 15 **IC 6-1.1-10-37.5.**

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

19 (1) the opportunity for a review under this section, including a
 20 preliminary informal meeting under subsection (h)(2) with the
 21 county or township official referred to in this subsection; and

22 (2) the procedures the taxpayer must follow in order to obtain a
 23 review under this section.

24 (c) In order to obtain a review of an assessment or deduction
 25 effective for the assessment date to which the notice referred to in
 26 subsection (b) applies, the taxpayer must file a notice in writing with
 27 the county or township official referred to in subsection (a) not later
 28 than forty-five (45) days after the date of the notice referred to in
 29 subsection (b).

30 (d) A taxpayer may obtain a review by the county board of the
 31 assessment of the taxpayer's tangible property effective for an
 32 assessment date for which a notice of assessment is not given as
 33 described in subsection (b). To obtain the review, the taxpayer must file
 34 a notice in writing with the township assessor, or the county assessor
 35 if the township is not served by a township assessor. The right of a
 36 taxpayer to obtain a review under this subsection for an assessment
 37 date for which a notice of assessment is not given does not relieve an
 38 assessing official of the duty to provide the taxpayer with the notice of
 39 assessment as otherwise required by this article. The notice to obtain
 40 a review must be filed not later than the later of:

41 (1) May 10 of the year; or

42 (2) forty-five (45) days after the date of the tax statement mailed



- 1 by the county treasurer, regardless of whether the assessing
 2 official changes the taxpayer's assessment.
- 3 (e) A change in an assessment made as a result of a notice for
 4 review filed by a taxpayer under subsection (d) after the time
 5 prescribed in subsection (d) becomes effective for the next assessment
 6 date. A change in an assessment made as a result of a notice for review
 7 filed by a taxpayer under subsection (c) or (d) remains in effect from
 8 the assessment date for which the change is made until the next
 9 assessment date for which the assessment is changed under this article.
- 10 (f) The written notice filed by a taxpayer under subsection (c) or (d)
 11 must include the following information:
- 12 (1) The name of the taxpayer.
 13 (2) The address and parcel or key number of the property.
 14 (3) The address and telephone number of the taxpayer.
- 15 (g) The filing of a notice under subsection (c) or (d):
 16 (1) initiates a review under this section; and
 17 (2) constitutes a request by the taxpayer for a preliminary
 18 informal meeting with the official referred to in subsection (a).
- 19 (h) A county or township official who receives a notice for review
 20 filed by a taxpayer under subsection (c) or (d) shall:
- 21 (1) immediately forward the notice to the county board; and
 22 (2) attempt to hold a preliminary informal meeting with the
 23 taxpayer to resolve as many issues as possible by:
- 24 (A) discussing the specifics of the taxpayer's assessment or
 25 deduction;
 26 (B) reviewing the taxpayer's property record card;
 27 (C) explaining to the taxpayer how the assessment or
 28 deduction was determined;
 29 (D) providing to the taxpayer information about the statutes,
 30 rules, and guidelines that govern the determination of the
 31 assessment or deduction;
 32 (E) noting and considering objections of the taxpayer;
 33 (F) considering all errors alleged by the taxpayer; and
 34 (G) otherwise educating the taxpayer about:
 35 (i) the taxpayer's assessment or deduction;
 36 (ii) the assessment or deduction process; and
 37 (iii) the assessment or deduction appeal process.
- 38 (i) Not later than ten (10) days after the informal preliminary
 39 meeting, the official referred to in subsection (a) shall forward to the
 40 county auditor and the county board the results of the conference on a
 41 form prescribed by the department of local government finance that
 42 must be completed and signed by the taxpayer and the official. The



- 1 form must indicate the following:
- 2 (1) If the taxpayer and the official agree on the resolution of all
- 3 assessment or deduction issues in the review, a statement of:
- 4 (A) those issues; and
- 5 (B) the assessed value of the tangible property or the amount
- 6 of the deduction that results from the resolution of those issues
- 7 in the manner agreed to by the taxpayer and the official.
- 8 (2) If the taxpayer and the official do not agree on the resolution
- 9 of all assessment or deduction issues in the review:
- 10 (A) a statement of those issues; and
- 11 (B) the identification of:
- 12 (i) the issues on which the taxpayer and the official agree;
- 13 and
- 14 (ii) the issues on which the taxpayer and the official
- 15 disagree.
- 16 (j) If the county board receives a form referred to in subsection
- 17 (i)(1) before the hearing scheduled under subsection (k):
- 18 (1) the county board shall cancel the hearing;
- 19 (2) the county official referred to in subsection (a) shall give
- 20 notice to the taxpayer, the county board, the county assessor, and
- 21 the county auditor of the assessment or deduction in the amount
- 22 referred to in subsection (i)(1)(B); and
- 23 (3) if the matter in issue is the assessment of tangible property,
- 24 the county board may reserve the right to change the assessment
- 25 under IC 6-1.1-13.
- 26 (k) If:
- 27 (1) subsection (i)(2) applies; or
- 28 (2) the county board does not receive a form referred to in
- 29 subsection (i) not later than one hundred twenty (120) days after
- 30 the date of the notice for review filed by the taxpayer under
- 31 subsection (c) or (d);
- 32 the county board shall hold a hearing on a review under this subsection
- 33 not later than one hundred eighty (180) days after the date of that
- 34 notice. The county board shall, by mail, give at least thirty (30) days
- 35 notice of the date, time, and place fixed for the hearing to the taxpayer,
- 36 **the taxpayer's representative (if any)**, and the county or township
- 37 official with whom the taxpayer filed the notice for review. The
- 38 taxpayer and the county or township official with whom the taxpayer
- 39 filed the notice for review are parties to the proceeding before the
- 40 county board. A taxpayer may request a continuance of the hearing by
- 41 filing, at least twenty (20) days before the hearing date, a request for
- 42 continuance with the board and the county or township official with



1 evidence supporting a just cause for the continuance. The board shall,
 2 not later than ten (10) days after the date the request for a continuance
 3 is filed, either find that the taxpayer has demonstrated a just cause for
 4 a continuance and grant the taxpayer the continuance, or deny the
 5 continuance. A taxpayer may request that the board take action without
 6 the taxpayer being present and that the board make a decision based on
 7 the evidence already submitted to the board by filing, at least eight (8)
 8 days before the hearing date, a request with the board and the county
 9 or township official. A taxpayer may withdraw a petition by filing, at
 10 least eight (8) days before the hearing date, a notice of withdrawal with
 11 the board and the county or township official.

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

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

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

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

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

19 A penalty of fifty dollars (\$50) shall be assessed against the taxpayer
 20 if the taxpayer or representative fails to appear at the hearing and,
 21 under subsection (k), the taxpayer's request for continuance is denied,
 22 or the taxpayer's request for continuance, request for the board to take
 23 action without the taxpayer being present, or withdrawal is not timely
 24 filed. A taxpayer may appeal the assessment of the penalty to the
 25 Indiana board or directly to the tax court. The penalty may not be added
 26 as an amount owed on the property tax statement under IC 6-1.1-22 or
 27 IC 6-1.1-22.5.

28 (m) The official referred to in subsection (a) may not require the
 29 taxpayer to provide documentary evidence at the preliminary informal
 30 meeting under subsection (h). The county board may not require a
 31 taxpayer to file documentary evidence or summaries of statements of
 32 testimonial evidence before the hearing required under subsection (k).
 33 If the action for which a taxpayer seeks review under this section is the
 34 assessment of tangible property, the taxpayer is not required to have an
 35 appraisal of the property in order to do the following:

36 (1) Initiate the review.

37 (2) Prosecute the review.

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



- 1 (o) If the maximum time elapses:
 2 (1) under subsection (k) for the county board to hold a hearing; or
 3 (2) under subsection (n) for the county board to give notice of its
 4 determination;
 5 the taxpayer may initiate a proceeding for review before the Indiana
 6 board by taking the action required by section 3 of this chapter at any
 7 time after the maximum time elapses.

8 SECTION 16. IC 6-1.1-17-22, AS ADDED BY P.L.120-2014,
 9 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 UPON PASSAGE]: Sec. 22. (a) In determining the amount of the levy
 11 for a debt service fund for ~~an ensuing a budget~~ year, the maximum
 12 amount allowed for an operating balance in the debt service fund is the
 13 sum of

- 14 ~~(1) fifteen percent (15%) of the budget estimate for the debt~~
 15 ~~service fund for the ensuing year for debt originally incurred after~~
 16 ~~June 30, 2014; plus~~
 17 ~~(2) fifty percent (50%) of the budget estimate for the debt service~~
 18 ~~fund for the ensuing year for debt originally incurred before July~~
 19 ~~1, 2014.~~

20 **the maximum allowable operating balance for each debt included**
 21 **in the debt service fund. The maximum allowable operating**
 22 **balance for an individual debt shall be calculated as follows:**

23 **(1) For debt originally incurred after June 30, 2014, the lesser**
 24 **of:**

- 25 **(A) fifteen percent (15%) of the budget estimate for the**
 26 **debt for the year after the budget year; or**
 27 **(B) the debt payment to be made in the first six (6) months**
 28 **of the year after the budget year.**

29 **(2) For debt originally incurred before July 1, 2014, the lesser**
 30 **of:**

- 31 **(A) fifty percent (50%) of the budget estimate for the debt**
 32 **for the year after the budget year; or**
 33 **(B) the debt payment to be made in the first six (6) months**
 34 **of the year after the budget year.**

35 If debt is refinanced, the date the refinanced debt was originally
 36 incurred, and not the date that the refinancing is closed, is the date to
 37 be used for purposes of this subsection.

38 (b) For purposes of IC 6-1.1-20.6-9.5, the property taxes allowed for
 39 an operating balance in the debt service fund under this section may
 40 not be construed as an increase in a political subdivision's property tax
 41 levy to make up for a reduction in property tax collections resulting
 42 from the application of credits under IC 6-1.1-20.6.



1 SECTION 17. IC 32-25.5-1-1, AS AMENDED BY P.L.231-2013,
 2 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2015]: Sec. 1. (a) This article applies to the following:

4 (1) A homeowners association established after June 30, 2009,
 5 **that is authorized to impose mandatory dues on the**
 6 **homeowners association's members.**

7 (2) A homeowners association established before July 1, 2009:

8 (A) if a majority of the members of the homeowners
 9 association elect to be governed by this article; or

10 (B) if the number of members required by the homeowners
 11 association's governing documents elect to be governed by this
 12 article if a different number of members other than the number
 13 established in clause (A) is required by the governing
 14 documents.

15 (b) IC 32-25.5-3-8 applies to all homeowners associations.

16 (c) IC 32-25.5-3-3(g) through IC 32-25.5-3-3(m) apply to all
 17 homeowners associations.

18 SECTION 18. [EFFECTIVE JANUARY 1, 2011
 19 (RETROACTIVE)] (a) **This SECTION applies notwithstanding**
 20 **IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or**
 21 **provision.**

22 (b) **This SECTION applies to an assessment date occurring after**
 23 **December 31, 2010, and before January 1, 2016.**

24 (c) As used in this SECTION, "eligible property" means the
 25 following items of tangible property owned by an agricultural
 26 organization that is exempt from federal income taxation under
 27 Section 501(c)(5) of the Internal Revenue Code:

28 (1) A tract of land of not more than one hundred forty (140)
 29 acres on which a county fair has been conducted for at least
 30 fifty (50) years.

31 (2) The improvements situated on the tract of land.

32 (3) Personal property located on the tract of land and used for
 33 the exempt purposes of the agricultural organization.

34 (d) As used in this SECTION, "qualified taxpayer" refers to an
 35 agricultural organization that:

36 (1) is exempt from federal income taxes; and

37 (2) owns an eligible property.

38 (e) A qualified taxpayer may, before September 1, 2015, file
 39 with the county assessor of the county in which the eligible
 40 property is located a property tax exemption application and
 41 supporting documents claiming a property tax exemption under
 42 IC 6-1.1-10-26.5, as added by this act, and this SECTION for the



1 eligible property for one (1) or more of the following assessment
2 dates:

3 (1) The March 1, 2011, assessment date.

4 (2) The March 1, 2012, assessment date.

5 (3) The March 1, 2013, assessment date.

6 (4) The March 1, 2014, assessment date.

7 (5) The March 1, 2015, assessment date.

8 (f) A property tax exemption application filed under subsection
9 (e) by a qualified taxpayer is considered to have been timely filed.

10 (g) If the county assessor finds that the eligible property would
11 have qualified for an exemption under IC 6-1.1-10-26.5, as added
12 by this act, for an assessment date described in subsection (e) if
13 IC 6-1.1-10-26.5, as added by this act, had been enacted before
14 January 1, 2011, the county assessor shall grant the eligible
15 taxpayer an exemption under this SECTION for each assessment
16 date described in subsection (e).

17 (h) If an exemption is allowed by the county assessor under this
18 SECTION, the following apply:

19 (1) No further ruling or action by the county property tax
20 assessment board of appeals of the county in which the
21 eligible property is located or by the Indiana board of tax
22 review is necessary.

23 (2) The qualified taxpayer is not required to pay any property
24 taxes, penalties, or interest with respect to the eligible
25 property for that assessment date.

26 (i) To the extent the qualified taxpayer has paid any property
27 taxes, penalties, or interest with respect to the eligible property for
28 an assessment date described in subsection (e), the eligible taxpayer
29 is entitled to a refund of the amounts paid. Notwithstanding the
30 filing deadlines for a claim in IC 6-1.1-26, any claim for a refund
31 filed by an eligible taxpayer under this subsection before
32 September 1, 2015, is considered timely filed. The county auditor
33 may make a determination that any refund due under this
34 SECTION shall be paid in two (2) equal annual installments.

35 (j) This SECTION expires July 1, 2018.

36 SECTION 19. An emergency is declared for this act.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1388, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 5, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 4. IC 6-1.1-10-26.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: **Sec. 26.5. (a) This section applies to an assessment date occurring after December 31, 2010.**

(b) The following tangible property is exempt from property taxation if the tangible property is owned by an agricultural organization that is exempt from federal income taxation under Section 501(c)(5) of the Internal Revenue Code:

- (1) A tract of land of not more than one hundred forty (140) acres on which a county fair has been conducted for at least fifty (50) years.**
- (2) The improvements situated on the tract of land.**
- (3) The personal property located on the tract of land and used for the exempt purposes of the agricultural organization.**

SECTION 5. IC 6-1.1-10-37.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 37.5. (a) As used in this section, "common area" means a parcel of land, including improvements, in a residential development that:**

- (1) is legally reserved for the exclusive use and enjoyment of all lot owners, occupants, and their guests, regardless of whether a lot owner makes actual use of the land;**
- (2) is owned by:**
 - (A) the developer, or the developer's assignee, provided such ownership is in a fiduciary capacity for the exclusive benefit of all lot owners in the residential development, and the developer has relinquished all rights to transfer the property other than to a person or entity that will hold title to the property for the exclusive benefit of all lot owners;**
 - (B) each lot owner within the residential development, equally or pro rata; or**
 - (C) a person, trust, or entity that holds title to the land for the benefit of all lot owners within the residential development; and**



(3) cannot be transferred for value to another party without the affirmative approval of:

- (A) all lot owners within the residential development; or**
- (B) not less than a majority of all lot owners within the residential development, if majority approval is permitted under the bylaws or other governing documents of a homeowners association, or similar entity.**

The term includes, but is not limited to, a lake, pond, street, sidewalk, park, green area, trail, wetlands, signage, swimming pool, clubhouse, or other features or amenities that benefit all lot owners within the residential development.

(b) As used in this section, "lot owner" means an individual or entity that is the owner of record of a lot, parcel, tract, unit, or interest within a residential development.

(c) As used in this section, "residential development" means a parcel of land that is subdivided into lots, parcels, tracts, units, or interests:

- (1) all of which include an existing Class 2 structure (as defined in IC 22-12-1-5), or are designated for the construction of a Class 2 structure; and**
- (2) each of which is encumbered by substantively identical restrictive covenants concerning one (1) or more servient estates located within the boundaries of the original undivided parcel, or other governing document of record.**

(d) Notwithstanding any other provision of this article, a common area is exempt from property taxation, provided that the common area meets the following criteria:

- (1) A common area may not be created or maintained for the primary purpose of generating income for persons or entities that are not lot owners.**
- (2) Any income produced from a common area must benefit all lot owners through reduced homeowners or maintenance fees that otherwise would be assessed without such income, or otherwise defray expenses related to neighborhood operations.**
- (3) Easements and covenants restricting the use and conveyance of common areas to lot owners must be recorded, and notice must be provided, to the appropriate county or township assessor.**

(e) A county or township assessor shall designate an area as a common area after:

- (1) receiving notice as provided in subsection (d)(3); and**



(2) determining that the area:

(A) is a common area; and

(B) meets the criteria under subsection (d).

(f) If a county or township assessor determines that the area is not a common area, or determines that the area fails to meet the requirements of subsection (d), then the county or township assessor shall send a written statement to the owner of the common area not later than thirty (30) days after receiving the notice under subsection (d)(3). The written statement shall contain:

(1) the specific provisions on which the county or township assessor based the determination; and

(2) a statement that the owner of the common area shall have thirty (30) days to address the specific provisions provided in subdivision (1), and to establish the area as a common area that meets the requirements of subsection (d).

(g) If a county or township assessor fails to send a written statement to the owner of a common area as required by this section, then the area for which notice was provided in subsection (d)(3) shall be considered a common area for purposes of this section.

(h) Once an area has been designated a common area, no subsequent refileing of a common area property tax exemption is required unless an area designated as a common area subsequently fails to meet the definition of a common area as provided in this section.

(i) A common area may be created at any time during or after a residential development is created.

(j) An owner of an area may obtain review by the county board of tax appeals of a county or township assessor's determination under subsection (e). The owner of an area that is the prevailing party in an action to enforce the provisions of this section may recover the party's reasonable attorney's fees from the opposing party."

Page 5, delete lines 29 through 42.

Page 6, delete lines 1 through 3.

Page 17, delete lines 7 through 9, begin a new paragraph and insert:

"SECTION 8. IC 6-1.1-12.4-13, AS ADDED BY P.L.193-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. The **rules of the** department of local government finance ~~shall adopt rules under IC 4-22-2 to implement this chapter.~~ **at 50 IAC 22 concerning procedures governing administration of the investment property tax deduction**



established under this chapter are void. The publisher of the Indiana Administrative Code shall remove 50 IAC 22 from the Indiana Administrative Code."

Page 18, delete lines 12 through 14, begin a new paragraph and insert:

"SECTION 11. IC 6-1.1-12.6-9, AS ADDED BY P.L.70-2008, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. The **rules of the** department of local government finance ~~shall adopt rules under IC 4-22-2 to implement this chapter.~~ **at 50 IAC 25 concerning procedures governing applications for the model residence property tax deduction established under this chapter are void. The publisher of the Indiana Administrative Code shall remove 50 IAC 25 from the Indiana Administrative Code."**

Page 19, delete lines 10 through 42, begin a new paragraph and insert:

"SECTION 13. IC 6-1.1-12.8-8, AS ADDED BY P.L.175-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. The **rules of the** department of local government finance ~~shall adopt rules and may adopt emergency rules under IC 4-22-2 to implement this chapter.~~ **at 50 IAC 28 concerning procedures governing applications for the residence in inventory property tax deduction established under this chapter are void. The publisher of the Indiana Administrative Code shall remove 50 IAC 28 from the Indiana Administrative Code.**

SECTION 14. IC 6-1.1-15-1, AS AMENDED BY P.L.257-2013, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A taxpayer may obtain a review by the county board of a county or township official's action with respect to ~~either or both~~ **any of the following, or any combination** of the following:

- (1) The assessment of the taxpayer's tangible property.
- (2) A deduction for which a review under this section is authorized by any of the following:
 - (A) IC 6-1.1-12-25.5.
 - (B) IC 6-1.1-12-28.5.
 - (C) IC 6-1.1-12-35.5.
 - (D) IC 6-1.1-12.1-5.
 - (E) IC 6-1.1-12.1-5.3.
 - (F) IC 6-1.1-12.1-5.4.
- (3) **A determination concerning a common area under IC 6-1.1-10-37.5.**



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

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

(c) In order to obtain a review of an assessment or deduction effective for the assessment date to which the notice referred to in subsection (b) applies, the taxpayer must file a notice in writing with the county or township official referred to in subsection (a) not later than forty-five (45) days after the date of the notice referred to in subsection (b).

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

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

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

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

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

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



- (1) initiates a review under this section; and
 - (2) constitutes a request by the taxpayer for a preliminary informal meeting with the official referred to in subsection (a).
- (h) A county or township official who receives a notice for review filed by a taxpayer under subsection (c) or (d) shall:
- (1) immediately forward the notice to the county board; and
 - (2) attempt to hold a preliminary informal meeting with the taxpayer to resolve as many issues as possible by:
 - (A) discussing the specifics of the taxpayer's assessment or deduction;
 - (B) reviewing the taxpayer's property record card;
 - (C) explaining to the taxpayer how the assessment or deduction was determined;
 - (D) providing to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the assessment or deduction;
 - (E) noting and considering objections of the taxpayer;
 - (F) considering all errors alleged by the taxpayer; and
 - (G) otherwise educating the taxpayer about:
 - (i) the taxpayer's assessment or deduction;
 - (ii) the assessment or deduction process; and
 - (iii) the assessment or deduction appeal process.
 - (i) Not later than ten (10) days after the informal preliminary meeting, the official referred to in subsection (a) shall forward to the county auditor and the county board the results of the conference on a form prescribed by the department of local government finance that must be completed and signed by the taxpayer and the official. The form must indicate the following:
 - (1) If the taxpayer and the official agree on the resolution of all assessment or deduction issues in the review, a statement of:
 - (A) those issues; and
 - (B) the assessed value of the tangible property or the amount of the deduction that results from the resolution of those issues in the manner agreed to by the taxpayer and the official.
 - (2) If the taxpayer and the official do not agree on the resolution of all assessment or deduction issues in the review:
 - (A) a statement of those issues; and
 - (B) the identification of:
 - (i) the issues on which the taxpayer and the official agree; and
 - (ii) the issues on which the taxpayer and the official disagree.



(j) If the county board receives a form referred to in subsection (i)(1) before the hearing scheduled under subsection (k):

- (1) the county board shall cancel the hearing;
- (2) the county official referred to in subsection (a) shall give notice to the taxpayer, the county board, the county assessor, and the county auditor of the assessment or deduction in the amount referred to in subsection (i)(1)(B); and
- (3) if the matter in issue is the assessment of tangible property, the county board may reserve the right to change the assessment under IC 6-1.1-13.

(k) If:

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

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

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

- (1) the taxpayer may present the taxpayer's reasons for disagreement with the assessment or deduction; and
- (2) the county or township official with whom the taxpayer filed



the notice for review must present:

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

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

A penalty of fifty dollars (\$50) shall be assessed against the taxpayer if the taxpayer or representative fails to appear at the hearing and, under subsection (k), the taxpayer's request for continuance is denied, or the taxpayer's request for continuance, request for the board to take action without the taxpayer being present, or withdrawal is not timely filed. A taxpayer may appeal the assessment of the penalty to the Indiana board or directly to the tax court. The penalty may not be added as an amount owed on the property tax statement under IC 6-1.1-22 or IC 6-1.1-22.5.

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

(1) Initiate the review.

(2) Prosecute the review.

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

(o) If the maximum time elapses:

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

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

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

Delete pages 20 through 24.

Page 25, delete lines 1 through 8.

Page 25, between lines 25 and 26 begin a new paragraph and insert:
"SECTION 19. [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)] (a) **This SECTION applies notwithstanding IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or provision.**

(b) **This SECTION applies to an assessment date occurring after**



December 31, 2010, and before January 1, 2016.

(c) As used in this SECTION, "eligible property" means the following items of tangible property owned by an agricultural organization that is exempt from federal income taxation under Section 501(c)(5) of the Internal Revenue Code:

- (1) A tract of land of not more than one hundred forty (140) acres on which a county fair has been conducted for at least fifty (50) years.
- (2) The improvements situated on the tract of land.
- (3) Personal property located on the tract of land and used for the exempt purposes of the agricultural organization.

(d) As used in this SECTION, "qualified taxpayer" refers to an agricultural organization that:

- (1) is exempt from federal income taxes; and
- (2) owns an eligible property.

(e) A qualified taxpayer may, before September 1, 2015, file with the county assessor of the county in which the eligible property is located a property tax exemption application and supporting documents claiming a property tax exemption under IC 6-1.1-10-26.5, as added by this act, and this SECTION for the eligible property for one (1) or more of the following assessment dates:

- (1) The March 1, 2011, assessment date.
- (2) The March 1, 2012, assessment date.
- (3) The March 1, 2013, assessment date.
- (4) The March 1, 2014, assessment date.
- (5) The March 1, 2015, assessment date.

(f) A property tax exemption application filed under subsection (e) by a qualified taxpayer is considered to have been timely filed.

(g) If the county assessor finds that the eligible property would have qualified for an exemption under IC 6-1.1-10-26.5, as added by this act, for an assessment date described in subsection (e) if IC 6-1.1-10-26.5, as added by this act, had been enacted before January 1, 2011, the county assessor shall grant the eligible taxpayer an exemption under this SECTION for each assessment date described in subsection (e).

(h) If an exemption is allowed by the county assessor under this SECTION, the following apply:

- (1) No further ruling or action by the county property tax assessment board of appeals of the county in which the eligible property is located or by the Indiana board of tax review is necessary.



(2) The qualified taxpayer is not required to pay any property taxes, penalties, or interest with respect to the eligible property for that assessment date.

(i) To the extent the qualified taxpayer has paid any property taxes, penalties, or interest with respect to the eligible property for an assessment date described in subsection (e), the eligible taxpayer is entitled to a refund of the amounts paid. Notwithstanding the filing deadlines for a claim in IC 6-1.1-26, any claim for a refund filed by an eligible taxpayer under this subsection before September 1, 2015, is considered timely filed. The county auditor may make a determination that any refund due under this SECTION shall be paid in two (2) equal annual installments.

(j) This SECTION expires July 1, 2018."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1388 as introduced.)

BROWN T

Committee Vote: yeas 13, nays 7.

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1388, 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 6, line 16, after "property" insert "**in a fiduciary capacity**".

Page 6, line 21, delete "and".

Page 6, line 28, after "entity" delete "." and insert ";

(4) does not include a Class 2 structure (as defined in IC 22-12-1-5); and

(5) is not designed or approved for the construction of a Class 2 structure."

Page 6, line 35, after "development" delete "." and insert ", **upon which a Class 2 structure (as defined in IC 22-12-1-5) is or will be constructed.**".

Page 6, line 39, after "which" insert ", **except for a common area,**".

Page 7, line 6, delete "meets the following criteria:".

Page 7, delete lines 7 through 14.

Page 7, line 15, delete "(3) Easements" and insert "**easements**".

EH 1388—LS 6691/DI 73



Page 7, run in lines 6 through 15.

Page 7, line 16, delete "must be" and insert "**are**".

Page 7, line 17, delete "must be" and insert "**is**".

Page 7, line 21, delete "(d)(3);" and insert "**(d);**".

Page 7, line 22, after "area" delete ":" and insert "**is a common area.**".

Page 7, delete lines 23 through 24.

Page 7, line 30, delete "(d)(3)." and insert "**(d).**".

Page 7, line 40, delete "(d)(3)" and insert "**(d)**".

Page 8, line 6, after "created." insert "**For purposes of the exemption under this section, a common area may be created or expanded after the initial approval of the residential development only if that creation or expansion of the common area:**

(1) is approved by:

(A) all lot owners within the residential development; or

(B) not less than a majority of all lot owners within the residential development, if majority approval is permitted under the bylaws or other governing documents of a homeowners association, or similar entity; and

(2) receives any approvals required by the county or municipality in which the common area is located."

Page 8, line 7, after "county" insert "**property tax assessment**".

Page 8, line 8, delete "tax".

Page 8, line 9, delete "(e). The owner of an area that is the prevailing" and insert "**(f).**".

Page 8, delete lines 10 through 12.

Page 24, line 34, after "taxpayer" insert ", **the taxpayer's representative (if any),**".

Page 26, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 16. IC 6-1.1-17-22, AS ADDED BY P.L.120-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) In determining the amount of the levy for a debt service fund for **an ensuing a budget** year, the maximum amount allowed for an operating balance in the debt service fund is the sum of

(1) fifteen percent (15%) of the budget estimate for the debt service fund for the ensuing year for debt originally incurred after June 30, 2014; plus

(2) fifty percent (50%) of the budget estimate for the debt service fund for the ensuing year for debt originally incurred before July 1, 2014.

the maximum allowable operating balance for each debt included



in the debt service fund. The maximum allowable operating balance for an individual debt shall be calculated as follows:

(1) For debt originally incurred after June 30, 2014, the lesser of:

(A) fifteen percent (15%) of the budget estimate for the debt for the year after the budget year; or

(B) the debt payment to be made in the first six (6) months of the year after the budget year.

(2) For debt originally incurred before July 1, 2014, the lesser of:

(A) fifty percent (50%) of the budget estimate for the debt for the year after the budget year; or

(B) the debt payment to be made in the first six (6) months of the year after the budget year.

If debt is refinanced, the date the refinanced debt was originally incurred, and not the date that the refinancing is closed, is the date to be used for purposes of this subsection.

(b) For purposes of IC 6-1.1-20.6-9.5, the property taxes allowed for an operating balance in the debt service fund under this section may not be construed as an increase in a political subdivision's property tax levy to make up for a reduction in property tax collections resulting from the application of credits under IC 6-1.1-20.6."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1388 as printed February 17, 2015.)

HERSHMAN, Chairperson

Committee Vote: Yeas 12, Nays 0.

