STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

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TO: Assessing Officials, County Auditors and County Treasurers

FROM: J. Barry Wood, Assessment Division Director JBW

RE: Mobile and Manufactured Homes - Changes to the Inventory Definition and Tax Liability

DATE: July 13, 2009

The purpose of this memorandum is to inform all County Assessors, County Auditors, and County Treasurers of changes to the definition of "inventory" to include certain mobile or manufactured homes and the allowance for a waiver of property taxes, special assessments, interest, penalties, and costs for the holder of an abandoned mobile home or manufactured home with an assessed value less than the taxes owed.

Mobile and Manufactured Homes Defined as Inventory

Effective January 1, 2010, Section 84 of House Enrolled Act (HEA) 1001(ss) – 2009 amends the definition of inventory (not subject to assessment and taxation) to include mobile and manufactured homes, if the mobile or manufactured home:

(A) does not qualify as real property;

(B) is located in a mobile home community;

(C) is unoccupied; and

(D) is owned and held for sale by the owner of the mobile home community.

The mobile or manufactured home is inventory regardless of whether the mobile home that is held for sale is new or was previously owned.

SECTION 84. IC 6-1.1-1-8.4, AS ADDED BY P.L.146-2008, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 8.4. **(a)** "Inventory" means:
(1) materials held for processing or for use in production;
(2) finished or partially finished goods of a manufacturer or processor; and
(3) property held for sale in the ordinary course of trade or business.

(b) The term includes:

(1) items that qualify as inventory under 50 IAC 4.2-5-1 (as effective December 31, 2008); **and**

(2) subject to subsection (c), a mobile home or manufactured home that:

(A) does not qualify as real property;

(B) is located in a mobile home community;

(C) is unoccupied; and

(D) is owned and held for sale by the owner of the mobile home community.

(c) Subsection (b)(2) applies regardless of whether the mobile home that is held for sale is new or was previously owned.

Waiver of Property Taxes

Per Section 92 of HEA 1001(ss)–2009, the holder of an abandoned mobile home or manufactured home with an assessed value less than the taxes owed, may submit a written request to the County Assessor to waive the property taxes, special assessments, interest, penalties, and costs on that property (**effective January 1, 2009 – retroactive**). If the County Assessor agrees, the Assessor shall deliver a copy of the approval letter to the County Auditor and County Treasurer.

The holder of the title to a mobile home or manufactured home may submit a written request to the County Assessor for the county where the mobile home or manufactured home is located requesting that personal property tax liability imposed on the mobile home or manufactured home be waived, if the mobile home or manufactured home:

(1) has deteriorated to a degree that it can no longer provide suitable protection from the elements as to be used as a primary place of residence;

(2) has little or no value as a structure to be rehabilitated for use as a primary place of residence;

(3) personal property tax liability has been imposed on the home in an amount that exceeds the estimated resale value of the mobile home or manufactured home; and

(4) has been abandoned in a licensed mobile home community.

If the County Assessor determines that the property meets the requirements stated above, the County Assessor is required to send to the applicant a letter that waives the property taxes, special assessments, interest, penalties, and costs assessed against the property subject to the title holder's compliance with the actions outlined below. The County Assessor shall deliver a copy of the letter to the County Auditor and the County Treasurer.

Upon receipt of a letter waiving property taxes imposed on a mobile home or manufactured home, the holder of the title of the property must do the following to have the property taxes, special assessments, interest, penalties, and costs waived:

(1) deliver a signed statement to the County Assessor stating that the mobile home or manufactured home:

(A) will be dismantled or destroyed either at its present site or at a remote site; and

(B) will not be used again as a dwelling or other shelter; *and*

(2) dismantle or destroy the mobile home or manufactured home and not use the mobile home or manufactured home as a structure after the issuance date of the letter waiving property taxes.

The County Auditor is required to remove from the tax duplicate the property taxes, special assessments, interest, penalties, and costs for which a waiver is granted.

SECTION 92. IC 6-1.1-7-15 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 15. (a) This section applies to a mobile home or manufactured home:**

(1) that has deteriorated to a degree that it can no longer provide suitable protection from the elements as to be used as a primary place of residence;

(2) that has little or no value as a structure to be rehabilitated for use as a primary place of residence;

(3) on which personal property tax liability has been imposed in an amount that exceeds the estimated resale value of the mobile home or manufactured home; and

(4) that has been abandoned in a mobile home community licensed under IC 16-41-27.

(b) The holder of the title of a mobile home or manufactured home described in subsection (a) may submit a written request to the county assessor for the county where the mobile home or manufactured home is located requesting that personal property tax liability imposed on the mobile home or manufactured home be waived. If the county assessor determines that the property that is the subject of the request meets the requirements in subsection (a), the county assessor shall send to the applicant a letter that waives the property taxes, special assessments, interest, penalties, and costs assessed against the property under this article, subject to compliance with subsection (c). The county assessor shall deliver a copy of the letter to the county auditor and the county treasurer.

(c) Upon receipt of a letter waiving property taxes imposed on a mobile home or manufactured home, the holder of the title of the property that is the subject of a letter issued under subsection (b) shall:

(1) deliver a signed statement to the county assessor stating that the mobile home or manufactured home:

(A) will be dismantled or destroyed either at its present site or at a remote site; and

(B) will not be used again as a dwelling or other shelter; and

(2) dismantle or destroy the mobile home or manufactured home and not use the mobile home or manufactured home as a structure after the issuance date of the letter waiving property taxes.

(d) The county auditor shall remove from the tax duplicate the property taxes, special assessments, interest, penalties, and costs for which a waiver is granted under this section.

If you have any questions, please contact Assessment Division Director Barry Wood at bwood@dlgf.in.gov or (317) 232-3762.