

## HOUSE BILL No. 1396

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DIGEST OF HB 1396 (Updated January 28, 1998 5:13 pm - DI 58)

**Citations Affected:** IC 6-1.1; IC 6-6; IC 36-2; IC 36-4; IC 36-6; noncode.

**Synopsis:** Property and excise taxation. Reestablishes a county land valuation commission in each county. Requires the county property tax assessment board of appeals to oversee setting land values. Changes the criteria for membership on the county property tax assessment board of appeals. Prohibits county land valuation commissions from submitting sales disclosure forms to the county property tax assessment board of appeals. Removes the provision declaring that true tax value does not mean fair market value. Requires data used for assessments to be computerized and updated annually beginning in 2001. Changes the filing of exemption applications from the county auditor to the county assessor. Requires that the state tax board rules provide for assessing nonagricultural land using comparable sales, agricultural land using income capitalization, and improvements on the basis of reproduction costs less depreciation. Provides that taxpayers may

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**Effective:** See text of bill.

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**Bauer, Scholer**

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January 13, 1998, read first time and referred to Committee on Ways and Means.  
January 28, 1998, amended, reported — Do Pass.

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HB 1396—LS 7335/DI 58+



obtain the information used to value land. Requires the state board of tax commissioners to create a record of proceedings when an appeal to the tax court is made. Requires the state board of tax commissioners to accommodate all enrollees for the examinations for level one and level two appraisers. Requires the state tax board to provide level one and two examinations that coordinate with training sessions. Permits the state board of tax commissioners to revoke the certification of level one or level two assessors if fraud or misrepresentation occurs. Provides that an owner of contiguous parcels requesting the parcels to be consolidated for assessment purposes must include a recorded deed with the request. Provides that in Marion County (as in all other counties) the county auditor forwards sales disclosure forms to the county assessor. Eliminates the requirement that the sales disclosure forms be sent to the township assessor. For purposes of the property tax deduction for rehabilitation of residential real property, provides that: (1) the repair, replacement, or improvement must be significant and must be made to an existing structure; and (2) the deduction is reduced each year by 20%. Reconciles a conflict between two statutes that in 1997 amended the provision concerning property tax deduction for rehabilitation of real property. Provides that in Marion County and Lake County the county property tax assessment board of appeals must hold a hearing on a petition within 180 days (rather than 90 days). Provides a property tax exemption for real property that is owned by a nonprofit organization and is under or adjacent to a lake or reservoir created by a dam or control structure owned and operated by a public utility. Provides a property tax exemption for real property that is owned by a nonprofit organization and is used in the organization's efforts to protect the environment and the water quality of the lake or reservoir. Provides nonprofit radio and television stations, 4-H organizations, and Southern Indiana Higher Education Inc., with an exemption from property taxes. Provides nonprofit corporations acting as small business incubators with an exemption from property taxes to the extent of property used for small business incubation. Requires an annual application for an exemption for small business incubation. Requires the county board of review, until January 1, 1999, and the county property tax assessment board of appeals thereafter, to review each property tax exemption that was granted two years prior to the current calendar year. Requires the fiscal officer of a second class city to examine tax duplicates and property tax assessments for proper form concerning city taxes. Requires county auditors to provide notice to taxing units when an assessed value appeal is filed. Requires the division of appeals of the state board of tax commissioners to provide notice of a hearing on a petition for review to the affected taxing units. Requires a county executive to appeal to the tax court upon the request of a majority of the affected taxing units or the taxing unit or units representing at least 50% of the levies, if a final determination of the state board of tax commissioners would result in a claim for a refund that exceeds the lesser of: (1) \$800,000; or (2) an amount equal to 10% of the aggregate tax levies of any taxing unit in the county for that year. Provides that the property taxes resulting from an assessment or increase in assessment may be paid when a petition for review or an appeal to the tax court regarding an assessment or increase in assessment is pending if the amount of property taxes in question is at least \$50,000. Requires a county treasurer to deposit the property taxes resulting from the contested assessment or increase in assessment in an interest bearing escrow account. Provides that the prevailing party upon the final determination of the assessment or reassessment is entitled to the amount of the property taxes and accrued interest. Provides for the repayment of refunds that exceed \$100,000 in not more than four annual installments if the money is not in an escrow account. Requires a taxing unit to deposit the property taxes and interest in the unit's levy

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Digest Continued

excess fund if the assessment or increase in assessment is upheld. Requires the county auditor to certify the amount of contested valuation as of July 15 to the fiscal officer of each political subdivision in the county. Requires a political subdivision to take into consideration the amount of contested assessed valuation when calculating the tax levy that is to be made for the ensuing budget year. Requires the bureau of motor vehicles to issue motor vehicle excise tax refunds. Provides that the bureau may retain a \$3 fee from a refund. (Current law requires the county auditor to issue the refund and provides that the bureau must transfer \$1.50 of the fee to the county issuing the refund.) Requires the bureau to include a space on the registration form for showing the taxing district where the owner of a vehicle resides. Requires the bureau to verify the collection of the motor vehicle excise tax by the license branches. Requires the bureau to provide the county auditor adequate and accurate registration form information.

**HB 1396—LS 7335/DI 58+**



January 29, 1998

Second Regular Session 110th General Assembly (1998)

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 1997 General Assembly.

## HOUSE BILL No. 1396

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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 6-1.1-4-12 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 12. If land  
3 assessed on an acreage basis is subdivided into lots, the land shall be  
4 reassessed on the basis of lots. If land is rezoned for, or put to, a  
5 different use, the land shall be reassessed on the basis of its new  
6 classification **to determine the new true tax value**. If improvements  
7 are added to real property, the improvements shall be assessed. An  
8 assessment or reassessment made under this section is effective on the  
9 next assessment date. However, if land assessed on an acreage basis is  
10 subdivided into lots, the lots may not be reassessed until the next  
11 assessment date following a transaction which results in a change in  
12 legal or equitable title to that lot. No petition to the state board of tax  
13 commissioners is necessary with respect to an assessment or  
14 reassessment made under this section.

15 SECTION 2. IC 6-1.1-4-13.6, AS AMENDED BY P.L.6-1997,

**HB 1396—LS 7335/DI 58+**



1 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 1997 (RETROACTIVE)]: Sec. 13.6. (a) A county land  
3 valuation commission (referred to in this section as the  
4 "commission") is established in each county for the purpose of  
5 determining the value of commercial, industrial, and residential  
6 land (including farm homesites) in the county.

7 (b) The county assessor is chairperson of the commission.

8 (c) The members of the commission are as follows:

9 (1) The county assessor.

10 (2) One (1) county resident who:

11 (A) holds a license under IC 25-34.1-3 as a salesperson or  
12 broker; and

13 (B) is appointed by the county executive (as defined in  
14 IC 36-1-2-5).

15 (3) Four (4) individuals who:

16 (A) are appointed by the county fiscal body (as defined in  
17 IC 36-1-2-5); and

18 (B) each represent one (1) of the following four (4) kinds of  
19 land in the county:

20 (i) Agricultural.

21 (ii) Commercial.

22 (iii) Industrial.

23 (iv) Residential.

24 (4) One (1) individual who:

25 (A) is appointed by the county executive (as defined in  
26 IC 36-1-2-5); and

27 (B) represents financial institutions in the county.

28 (d) The term of each member of the commission begins  
29 November 1, two (2) years before the commencement of the  
30 general reassessment under IC 6-1.1-4-4, and ends January 1 of the  
31 year the general reassessment commences under IC 6-1.1-4-4. The  
32 appointing authority may fill any vacancy for the remainder of the  
33 vacated term.

34 (a) (a) (e) The township assessor **commission** shall determine the  
35 values of all classes of commercial, industrial, and residential land  
36 (including farm homesites) in the ~~township~~ **county** using guidelines  
37 determined by the state board of tax commissioners. Not later than  
38 November 1 of the year preceding the year in which a general  
39 reassessment becomes effective, the assessor **commences**. The  
40 **commission** determining the values of land shall submit the values, **all**  
41 **data supporting the values, and all information required under**  
42 **rules of the state board of tax commissioners relating to the**



1 **determination of land values** to the county property tax assessment  
 2 board of appeals. **To protect the confidentiality of information**  
 3 **contained on sales disclosure forms required under IC 6-1.1-5.5**  
 4 **and used by the commission, no originals or copies of sales**  
 5 **disclosure forms shall be submitted to the county property tax**  
 6 **assessment board of appeals. The commission shall outline the sales**  
 7 **information used in a manner that prevents identification of the**  
 8 **specific properties involved in the transaction.** Not later than  
 9 December 1 of the year preceding the year in which a general  
 10 reassessment ~~becomes effective;~~ **commences** the county property tax  
 11 assessment board of appeals shall hold a public hearing in the county  
 12 concerning those values. The property tax assessment board of appeals  
 13 shall give notice of the hearing in accordance with IC 5-3-1 and shall  
 14 hold the hearing after March 31 and before ~~December~~ **January** 1 of the  
 15 year ~~preceding the year~~ in which the general reassessment under  
 16 IC 6-1.1-4-4 ~~becomes effective;~~ **commences.**

17 ~~(b)~~ (f) The county property tax assessment board of appeals shall  
 18 review the values, **data, and information** submitted under subsection  
 19 ~~(a)~~ (e) and may make any modifications it considers necessary to  
 20 provide uniformity and equality. The county property tax assessment  
 21 board of appeals shall coordinate the valuation of property adjacent to  
 22 the boundaries of the county with the county property tax assessment  
 23 boards of appeals of the adjacent counties using the procedures adopted  
 24 by rule under IC 4-22-2 by the state board of tax commissioners. If the  
 25 county assessor or township assessor fails to submit land values under  
 26 subsection (a) to the county property tax assessment board of appeals  
 27 before ~~November~~ **January** 1 of the year ~~before the date~~ the general  
 28 reassessment under IC 6-1.1-4-4 ~~becomes effective;~~ **commences,** the  
 29 county property tax assessment board of appeals shall determine the  
 30 values. ~~If the county property tax assessment board of appeals fails to~~  
 31 ~~determine the values before the general reassessment becomes~~  
 32 ~~effective;~~ the state board of tax commissioners shall determine the  
 33 values.

34 (g) The county property tax assessment board of appeals shall  
 35 **give notice to the county and township assessors of its decision on**  
 36 **the values. The notice must be given before March 1 of the year the**  
 37 **general reassessment under IC 6-1.1-4-4 commences. Within**  
 38 **twenty (20) days after that notice, the county assessor or a**  
 39 **township assessor in the county may request that the county**  
 40 **property tax assessment board of appeals reconsider the values.**  
 41 **The county property tax assessment board of appeals shall hold a**  
 42 **hearing on the reconsideration in the county. The county property**



1 tax assessment board of appeals shall give notice of the hearing  
2 under IC 5-3-1.

3 (h) A taxpayer may appeal the value determined under this  
4 section as applied to the taxpayer's land as part of an appeal filed  
5 under IC 6-1.1-15-1. If a taxpayer that files an appeal under  
6 IC 6-1.1-15 requests the values, data, or information received by  
7 the county property tax assessment board of appeals under  
8 subsection (e), the county property tax assessment board of appeals  
9 shall satisfy the request. The state board of tax commissioners may  
10 modify the taxpayer's land value and the value of any other land  
11 in the township, county where the taxpayer's land is located, or the  
12 adjacent county if the state board of tax commissioners determines  
13 it is necessary to provide uniformity and equality.

14 ~~(e)~~ (i) The county assessor shall notify all township assessors in the  
15 county of the values as modified by the county property tax assessment  
16 board of appeals: **determined by the commission and as modified by**  
17 **the state board on review or on appeal.** Township assessors shall use  
18 the values determined under this section.

19 SECTION 3. IC 6-1.1-4-28, AS AMENDED BY P.L.6-1997,  
20 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
21 JANUARY 1, 1999]: Sec. 28. (a) Money assigned to a property  
22 reassessment fund under section 27 of this chapter may be used only to  
23 pay the costs of:

- 24 (1) the general reassessment of real property, including the
- 25 computerization of assessment records;
- 26 (2) payments to county assessors, members of property tax
- 27 assessment boards of appeals, or assessing officials under
- 28 IC 6-1.1-35.2;
- 29 (3) the development or updating of detailed soil survey data by
- 30 the United States Department of Agriculture or its successor
- 31 agency;
- 32 (4) the updating of plat books; and
- 33 (5) payments for the salary of permanent staff or for the
- 34 contractual services of temporary staff who are necessary to assist
- 35 county assessors, members of a county property tax assessment
- 36 board of appeals, and assessing officials.

37 (b) All counties shall use modern, detailed soil maps in the general  
38 reassessment of agricultural land.

39 (c) The county treasurer of each county shall, in accordance with  
40 IC 5-13-9, invest any money accumulated in the property reassessment  
41 fund until the money is needed to pay general reassessment expenses.  
42 Any interest received from investment of the money shall be paid into



1 the property reassessment fund.

2 (d) An appropriation under this section ~~must~~ **may not** be approved  
 3 by the fiscal body of the county ~~after the review and~~ **until after the**  
 4 **fiscal body considers the** recommendation of the county assessor.  
 5 However, in a county with an elected township assessor under  
 6 ~~IC 36-6-5-1~~ **IC 36-6-5-1** in every township, only the fiscal body must  
 7 approve an appropriation under this section.

8 SECTION 4. IC 6-1.1-5-16, AS ADDED BY P.L.51-1997,  
 9 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JANUARY 1, 1999]: Sec. 16. If an owner of existing contiguous  
 11 parcels makes a written request that includes **a recorded deed having**  
 12 a legal description of the existing contiguous parcels sufficient for the  
 13 assessing official to identify each parcel and the area of all contiguous  
 14 parcels, the assessing official shall consolidate more than one (1)  
 15 existing contiguous parcel into a single parcel to the extent that the  
 16 existing contiguous parcels are in a single taxing district **and the same**  
 17 **section**. For existing contiguous parcels in more than one (1) taxing  
 18 district **or one (1) section**, the assessing official shall, upon written  
 19 request by the owner **that includes a recorded deed combining the**  
 20 **contiguous parcels**, consolidate the existing contiguous parcels in each  
 21 taxing district **and each section** into a single parcel. An assessing  
 22 official shall consolidate more than one (1) existing contiguous parcel  
 23 into a single parcel if an improvement to the real property is located on  
 24 or otherwise significantly affects the parcels **and the owner has**  
 25 **recorded a deed combining the contiguous parcels**.

26 SECTION 5. IC 6-1.1-5.5-3, AS AMENDED BY P.L.6-1997,  
 27 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 JANUARY 1, 1999]: Sec. 3. (a) Before filing a conveyance document  
 29 with the county auditor under IC 6-1.1-5-4, all the parties to the  
 30 conveyance must complete and sign a sales disclosure form as  
 31 prescribed by the state board of tax commissioners under section 5 of  
 32 this chapter. All the parties may sign one (1) form, or if all the parties  
 33 do not agree on the information to be included on the completed form,  
 34 each party may sign and file a separate form.

35 (b) Except as provided in subsection (c), the auditor shall forward  
 36 each sales disclosure form to the county assessor. The county assessor  
 37 shall forward the sales disclosure form to the state board of tax  
 38 commissioners and, **upon request**, to the appropriate township  
 39 assessor. The county assessor shall retain a copy of the sales disclosure  
 40 form for the purposes established in IC 6-1.1-4-13.6. ~~and shall forward~~  
 41 ~~a copy to the township assessors in the county.~~

42 (c) ~~In a county containing a consolidated city, the auditor shall~~



1 forward the sales disclosure form to the appropriate township assessor.  
 2 The township assessor shall forward the sales disclosure form to the  
 3 state board of tax commissioners. The township assessor may retain a  
 4 copy of the sales disclosure form for the purposes established in  
 5 IC 6-1.1-4-13.6.

6 SECTION 6. IC 6-1.1-10-16, AS AMENDED BY P.L.6-1997,  
 7 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8 JANUARY 1, 1999]: Sec. 16. (a) All or part of a building is exempt  
 9 from property taxation if it is owned, occupied, and used by a person  
 10 for educational, literary, scientific, religious, or charitable purposes.

11 (b) A building is exempt from property taxation if it is owned,  
 12 occupied, and used by a town, city, township, or county for educational,  
 13 literary, scientific, fraternal, or charitable purposes.

14 (c) A tract of land, including the campus and athletic grounds of an  
 15 educational institution, is exempt from property taxation if:

16 (1) a building which is exempt under subsection (a) or (b) is  
 17 situated on it; and

18 (2) the tract does not exceed:

19 (A) fifty (50) acres in the case of:

20 (i) an educational institution; or

21 (ii) a tract that was exempt under this subsection on March  
 22 1, 1987; or

23 (B) fifteen (15) acres in all other cases.

24 (d) A tract of land is exempt from property taxation if:

25 (1) it is purchased for the purpose of erecting a building which is  
 26 to be owned, occupied, and used in such a manner that the  
 27 building will be exempt under subsection (a) or (b);

28 (2) the tract does not exceed:

29 (A) fifty (50) acres in the case of:

30 (i) an educational institution; or

31 (ii) a tract that was exempt under this subsection on March  
 32 1, 1987; or

33 (B) fifteen (15) acres in all other cases; and

34 (3) not more than three (3) years after the property is purchased,  
 35 and for each year after the three (3) year period, the owner  
 36 demonstrates substantial progress towards the erection of the  
 37 intended building and use of the tract for the exempt purpose. To  
 38 establish that substantial progress is being made, the owner must  
 39 prove the existence of factors such as the following:

40 (A) Organization of and activity by a building committee or  
 41 other oversight group.

42 (B) Completion and filing of building plans with the



- 1 appropriate local government authority.
- 2 (C) Cash reserves dedicated to the project of a sufficient
- 3 amount to lead a reasonable individual to believe the actual
- 4 construction can and will begin within three (3) years.
- 5 (D) The breaking of ground and the beginning of actual
- 6 construction.
- 7 (E) Any other factor that would lead a reasonable individual to
- 8 believe that construction of the building is an active plan and
- 9 that the building is capable of being completed within six (6)
- 10 years considering the circumstances of the owner.
- 11 (e) Personal property is exempt from property taxation if it is owned
- 12 and used in such a manner that it would be exempt under subsection (a)
- 13 or (b) if it were a building.
- 14 (f) A hospital's property which is exempt from property taxation
- 15 under subsection (a), (b), or (e) shall remain exempt from property
- 16 taxation even if the property is used in part to furnish goods or services
- 17 to another hospital whose property qualifies for exemption under this
- 18 section.
- 19 (g) Property owned by a shared hospital services organization which
- 20 is exempt from federal income taxation under Section 501(c)(3) or
- 21 501(e) of the Internal Revenue Code is exempt from property taxation
- 22 if it is owned, occupied, and used exclusively to furnish goods or
- 23 services to a hospital whose property is exempt from property taxation
- 24 under subsection (a), (b), or (e).
- 25 (h) This section does not exempt from property tax an office or a
- 26 practice of a physician or group of physicians that is owned by a
- 27 hospital licensed under IC 16-21-1 or other property that is not
- 28 substantially related to or supportive of the inpatient facility of the
- 29 hospital unless the office, practice, or other property:
- 30 (1) provides or supports the provision of charity care (as defined
- 31 in IC 16-18-2-52.5), including providing funds or other financial
- 32 support for health care services for individuals who are indigent
- 33 (as defined in IC 16-18-2-52.5(b) and ~~IC 16-8-2-52.5(c)~~);
- 34 **IC 16-18-2-52.5(c)**); or
- 35 (2) provides or supports the provision of community benefits (as
- 36 defined in IC 16-21-9-1), including research, education, or
- 37 government sponsored indigent health care (as defined in
- 38 IC 16-21-9-2).
- 39 However, participation in the Medicaid or Medicare program alone
- 40 does not entitle an office, practice, or other property described in this
- 41 subsection to an exemption under this section.
- 42 (i) A tract of land or a tract of land plus all or part of a structure on



- 1 the land is exempt from property taxation if:
- 2 (1) the tract is acquired for the purpose of erecting, renovating, or
- 3 improving a single family residential structure that is to be given
- 4 away or sold:
- 5 (A) in a charitable manner;
- 6 (B) by a nonprofit organization; and
- 7 (C) to low income individuals who will:
- 8 (i) use the land as a family residence; and
- 9 (ii) not have an exemption for the land under this section;
- 10 (2) the tract does not exceed three (3) acres;
- 11 (3) the tract of land or the tract of land plus all or part of a
- 12 structure on the land is not used for profit while exempt under this
- 13 section; and
- 14 (4) not more than three (3) years after the property is acquired for
- 15 the purpose described in subdivision (1), and for each year after
- 16 the three (3) year period, the owner demonstrates substantial
- 17 progress towards the erection, renovation, or improvement of the
- 18 intended structure. To establish that substantial progress is being
- 19 made, the owner must prove the existence of factors such as the
- 20 following:
- 21 (A) Organization of and activity by a building committee or
- 22 other oversight group.
- 23 (B) Completion and filing of building plans with the
- 24 appropriate local government authority.
- 25 (C) Cash reserves dedicated to the project of a sufficient
- 26 amount to lead a reasonable individual to believe the actual
- 27 construction can and will begin within six (6) years of the
- 28 initial exemption received under this subsection.
- 29 (D) The breaking of ground and the beginning of actual
- 30 construction.
- 31 (E) Any other factor that would lead a reasonable individual to
- 32 believe that construction of the structure is an active plan and
- 33 that the structure is capable of being:
- 34 (i) completed; and
- 35 (ii) transferred to a low income individual who does not
- 36 receive an exemption under this section;
- 37 within six (6) years considering the circumstances of the
- 38 owner.
- 39 (j) An exemption under subsection (i) terminates when the property
- 40 is conveyed by the nonprofit organization to another owner. When the
- 41 property is conveyed to another owner, the nonprofit organization
- 42 receiving the exemption must file a certified statement with the ~~auditor~~



1 **assessor** of the county, notifying the ~~auditor~~ **assessor** of the change not  
 2 later than sixty (60) days after the date of the conveyance. **The county**  
 3 **assessor shall forward a copy of the certified statement to the**  
 4 **county auditor.** A nonprofit organization that fails to file the statement  
 5 required by this subsection is liable for the amount of property taxes  
 6 due on the property conveyed if it were not for the exemption allowed  
 7 under this chapter.

8 (k) If property is granted an exemption in any year under subsection  
 9 (i) and the owner:

10 (1) ceases to be eligible for the exemption under subsection (i)(4);

11 (2) fails to transfer the tangible property within six (6) years after  
 12 the assessment date for which the exemption is initially granted;

13 or

14 (3) transfers the tangible property to a person who:

15 (A) is not a low income individual; or

16 (B) does not use the transferred property as a residence for at  
 17 least one (1) year after the property is transferred;

18 the person receiving the exemption shall notify the county recorder and  
 19 the county ~~auditor~~ **assessor** of the county in which the property is  
 20 located not later than sixty (60) days after the event described in  
 21 subdivision (1), (2), or (3) occurs. **The county assessor shall inform**  
 22 **the county auditor of a notification received under this subsection.**

23 (l) If subsection (k)(1), (k)(2), or (k)(3) applies, the owner shall pay,  
 24 not later than the date that the next installment of property taxes is due,  
 25 an amount equal to the sum of the following:

26 (1) The total property taxes that, if it were not for the exemption  
 27 under subsection (i), would have been levied on the property in  
 28 each year in which an exemption was allowed.

29 (2) Interest on the property taxes at the rate of ten percent (10%)  
 30 per year.

31 (m) The liability imposed by subsection (l) is a lien upon the  
 32 property receiving the exemption under subsection (i). An amount  
 33 collected under subsection (l) shall be collected as an excess levy. If  
 34 the amount is not paid, it shall be collected in the same manner that  
 35 delinquent taxes on real property are collected.

36 SECTION 7. IC 6-1.1-10-16.5 IS ADDED TO THE INDIANA  
 37 CODE AS A **NEW SECTION TO READ AS FOLLOWS**  
 38 **[EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: Sec. 16.5. (a)**  
 39 **A tract of real property owned by a nonprofit public benefit**  
 40 **corporation (as defined in IC 23-17-2-23) is exempt from property**  
 41 **taxation if all of the following apply:**

42 (1) **The tract is located:**



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(A) under a lake or reservoir; or  
 (B) adjacent to a lake or reservoir.

(2) The lake or reservoir under which or adjacent to which the tract is located was formed by a dam or control structure owned and operated by a public utility for the generation of hydroelectric power.

(3) The public benefit corporation that owns the tract is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and has maintained its tax exempt status for the previous three (3) years.

(4) The public benefit corporation that owns the tract is primarily engaged in active efforts to protect and enhance the environment and water quality of the lake or reservoir under which or adjacent to which the tract is located in order to facilitate the public recreational use of the lake or reservoir.

(b) A tract of real property owned by a nonprofit public benefit corporation described in subsection (a) is exempt from property taxation if the tract is used by the public benefit corporation in the public benefit corporation's efforts to enhance the environment and water quality of a lake or reservoir described in subsection (a).

SECTION 8. IC 6-1.1-10-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 21. (a) The following tangible property is exempt from property taxation if it is owned by, or held in trust for the use of, a church or religious society:

- (1) A building which is used for religious worship.
- (2) Buildings that are used as parsonages.
- (3) The pews and furniture contained within a building which is used for religious worship.
- (4) The tract of land, not exceeding fifteen (15) acres, upon which a building described in this section is situated.

(b) To obtain an exemption for parsonages, a church or religious society must provide the county ~~auditor~~ **assessor** with an affidavit at the time the church or religious society applies for the exemptions. The affidavit must state that:

- (1) all parsonages are being used to house one (1) of the church's or religious society's rabbis, priests, preachers, ministers, or pastors; and
- (2) none of the parsonages are being used to make a profit.

The affidavit shall be signed under oath by the church's or religious society's head rabbi, priest, preacher, minister, or pastor. **The county assessor shall forward a copy of the affidavit to the county auditor.**

SECTION 9. IC 6-1.1-10-25 IS AMENDED TO READ AS



