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# HOUSE BILL No. 1236

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-10-25; IC 6-1.1-10-42; IC 6-1.1-11.

**Synopsis:** Property tax exemptions and exemption review. Provides nonprofit radio and television stations with an exemption from property taxes. Provides 4-H organizations 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.

**Effective:** July 1, 1998; January 1, 1999.

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January 13, 1998, read first time and referred to Committee on Ways and Means.

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Introduced

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. 1236

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 6-1.1-10-25 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 25. (a) Subject to the  
3 limitations contained in subsection (b), ~~of this section~~, tangible  
4 property is exempt from property taxation if it is owned by any of the  
5 following organizations:  
6 (1) The Young Men's Christian Association.  
7 (2) The Salvation Army, Inc.  
8 (3) The Knights of Columbus.  
9 (4) The Young Men's Hebrew Association.  
10 (5) The Young Women's Christian Association.  
11 (6) A chapter or post of Disabled American Veterans of World  
12 War I or II.  
13 (7) A chapter or post of the Veterans of Foreign Wars.  
14 (8) A post of the American Legion.  
15 (9) A post of the American War Veterans.  
16 (10) A camp of United States Spanish War Veterans.  
17 (11) The Boy Scouts of America, one (1) or more of its

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1 incorporated local councils, or a bank or trust company in trust for  
2 the benefit of one (1) or more of its local councils.

3 (12) The Girl Scouts of the U.S.A., one (1) or more of its  
4 incorporated local councils, or a bank or trust company in trust for  
5 the benefit of one (1) or more of its local councils.

6 **(13) A nonprofit public radio station.**

7 **(14) A nonprofit public television station.**

8 **(15) A 4-H organization.**

9 (b) This exemption does not apply unless the property is exclusively  
10 used, and in the case of real property actually occupied, for the  
11 purposes and objectives of the organization.

12 SECTION 2. IC 6-1.1-10-42 IS ADDED TO THE INDIANA CODE  
13 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE  
14 JANUARY 1, 1999]: **Sec. 42. (a) A corporation that is:**

15 **(1) nonprofit; and**

16 **(2) participates in the small business incubator program**  
17 **under IC 4-4-18;**

18 **is exempt from property taxation to the extent of tangible property**  
19 **used for small business incubation.**

20 **(b) A corporation that wishes to obtain an exemption from**  
21 **property taxation under this section must file an exemption**  
22 **application annually.**

23 SECTION 3. IC 6-1.1-11-3, AS AMENDED BY P.L.6-1997,  
24 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
25 JANUARY 1, 1999]: **Sec. 3. (a) ~~The~~ An owner of tangible property**  
26 **who wishes to obtain an exemption from property taxation ~~and a~~**  
27 **nonprofit corporation seeking an exemption under IC 6-1.1-10-42**  
28 **shall ~~each~~ file a certified application in duplicate with the auditor of**  
29 **the county in which the property ~~that is the subject of the exemption~~**  
30 **is located. The application must be filed annually on or before May 15**  
31 **on forms prescribed by the state board of tax commissioners. Except as**  
32 **provided in sections 1, 3.5, and 4 of this chapter, the application**  
33 **applies only for the taxes imposed for the year for which the**  
34 **application is filed.**

35 (b) The authority for signing an exemption application may not be  
36 delegated by the owner of the property to any other person except by  
37 an executed power of attorney.

38 (c) An exemption application which is required under this chapter  
39 shall contain the following information:

40 (1) A description of the property claimed to be exempt in  
41 sufficient detail to afford identification.

42 (2) A statement showing the ownership, possession, and use of

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1 the property.

2 (3) The grounds for claiming the exemption.

3 (4) The full name and address of the applicant.

4 (5) Any additional information which the state board of tax  
5 commissioners may require.

6 SECTION 4. IC 6-1.1-11-3.5 IS AMENDED TO READ AS  
7 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 3.5. (a) A  
8 not-for-profit corporation, **except for a nonprofit corporation seeking**  
9 **an exemption under IC 6-1.1-10-42**, that seeks an exemption  
10 provided by IC 6-1.1-10 for 1988 or for a year that follows 1988 by a  
11 multiple of four (4) years must file an application for the exemption in  
12 that year. However, if a not-for-profit corporation seeks an exemption  
13 provided by IC 6-1.1-10 for a year not specified in this subsection and  
14 the corporation did not receive the exemption for the preceding year,  
15 the corporation must file an application for the exemption in the year  
16 for which the exemption is sought. The not-for-profit corporation must  
17 file each exemption application in the manner (other than the  
18 requirement for filing annually) prescribed in section 3 of this chapter.

19 (b) A not-for-profit corporation that receives an exemption provided  
20 under IC 6-1.1-10 for a particular year that remains eligible for the  
21 exemption for the following year is only required to file a statement to  
22 apply for the exemption in the years specified in subsection (a), if the  
23 use of the not-for-profit corporation's property remains unchanged.

24 (c) A not-for-profit corporation that receives an exemption provided  
25 under IC 6-1.1-10 for a particular year which becomes ineligible for the  
26 exemption for the following year shall notify the auditor of the county  
27 in which the tangible property for which it claims the exemption is  
28 located of its ineligibility on or before May 15 of the year for which it  
29 becomes ineligible.

30 (d) For each year that is not a year specified in subsection (a), the  
31 auditor of each county shall apply an exemption provided under  
32 IC 6-1.1-10 to the tangible property owned by a not-for-profit  
33 corporation that received the exemption in the preceding year unless  
34 the auditor determines that the not-for-profit corporation is no longer  
35 eligible for the exemption.

36 (e) The state board of tax commissioners may at any time review an  
37 exemption provided under this section and determine whether or not  
38 the not-for-profit corporation is eligible for the exemption.

39 SECTION 5. IC 6-1.1-11-8.5 IS ADDED TO THE INDIANA  
40 CODE AS A **NEW SECTION** TO READ AS FOLLOWS  
41 [EFFECTIVE JANUARY 1, 1999]: **Sec. 8.5. (a) Before November 1**  
42 **of a year that is not a general reassessment year, the county**



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1 property tax assessment board of appeals shall review each  
 2 exemption that was granted during the calendar year two (2) years  
 3 before the current calendar year.

4 (b) The county property tax assessment board of appeals shall  
 5 determine if the property granted the exemption still meets the  
 6 criteria for an exemption.

7 (c) If the county property tax assessment board of appeals  
 8 determines that property granted an exemption no longer meets  
 9 the criteria for the exemption, the board of appeals shall:

- 10 (1) revoke the exemption; and  
 11 (2) inform the county auditor.

12 Upon receiving a notice from the county property tax assessment  
 13 board of appeals under this subsection, the county auditor shall  
 14 notify the owner of the property by mail. Within thirty (30) days  
 15 after the notice is mailed, the owner may, in the manner prescribed  
 16 by IC 6-1.1-15-3, petition the state board of tax commissioners to  
 17 review the revocation decision of the county property tax  
 18 assessment board of appeals.

19 SECTION 6. [EFFECTIVE JULY 1, 1998] IC 6-1.1-10-42, as  
 20 added by this act, applies only to property taxes first due and  
 21 payable after December 31, 1998.

22 SECTION 7. [EFFECTIVE JULY 1, 1998] (a) Notwithstanding  
 23 any other law before November 1, 1998, the county board of review  
 24 shall review each property tax exemption that was granted two (2)  
 25 years before the current calendar year.

26 (b) The county board of review shall determine if the exempt  
 27 property still meets exemption criteria.

28 (c) If the exempt property no longer meets the criteria for the  
 29 exemption, the county board of review shall:

- 30 (1) revoke the exemption; and  
 31 (2) inform the county auditor.

32 Upon receiving a notice from the county board of review under this  
 33 subsection, the county auditor shall notify the owner of the  
 34 property by mail. Within thirty (30) days after the notice is mailed,  
 35 the owner may, in the manner prescribed by IC 6-1.1-15-3, petition  
 36 the state board of tax commissioners to review the revocation  
 37 decision of the county board of review.

38 (d) This SECTION expires January 1, 2000.

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