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# HOUSE BILL No. 1544

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-4-4.3; IC 6-1.1-22-8.1.

**Synopsis:** Property tax assessments and bills. Establishes a procedure administered by the county assessor for verification by the owner of a homestead of the physical features of the homestead that are material to the determination of the property tax assessment. Provides that a property tax bill must include a comparison that shows the amount the taxpayer's current taxes would be if the property tax rate of each taxing unit in the taxing district used to calculate the current taxes were determined based on an assessed valuation of the taxing unit that includes assessed valuation of exempt property and of tangible property segregated from the tax base for tax increment financing.

**Effective:** Upon passage.

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### DeLaney

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January 16, 2009, read first time and referred to Committee on Ways and Means.

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First Regular Session 116th General Assembly (2009)

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 2008 Regular Session of the General Assembly.

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# HOUSE BILL No. 1544



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 6-1.1-4-4.3 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: **Sec. 4.3. (a) As used in this section,**  
4 **"homestead" has the meaning set forth in IC 6-1.1-12-37(a)(2).**  
5 **(b) During the period established in section 4(b) of this chapter**  
6 **for the conduct of a general reassessment of real property at a time**  
7 **chosen by the county assessor, the county assessor shall mail to the**  
8 **owner of each homestead in the county a report that includes at**  
9 **least the following:**  
10 **(1) A record of the physical features of the homestead that are**  
11 **material under this article and the rules of the department of**  
12 **local government finance to the determination of the real**  
13 **property tax assessment of the homestead.**  
14 **(2) A form that allows the owner of the homestead to do the**  
15 **following:**  
16 **(A) To the extent that physical features of the homestead**  
17 **are accurately recorded, confirm the accuracy.**



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**(B) To the extent that physical features of the homestead are not accurately recorded, identify differences between the physical features as recorded and the actual physical features.**

**(C) If the owner has obtained a permit for construction or demolition that has not been completed:**

**(i) identify the changes in the physical features of the homestead that will result from the construction or demolition; and**

**(ii) estimate the date of completion of the construction or demolition.**

**(3) A request for the owner of the homestead to:**

**(A) examine the accuracy of the record of physical features;**

**(B) complete the form referred to in subdivision (2); and**

**(C) mail the completed form to the county assessor.**

**(4) The date by which the completed form must be returned to the county assessor.**

**(5) Notice to the owner of the homestead of the payment authorized by subsection (e) for timely return of a completed form.**

**(c) Upon transfer of title of a homestead, the county assessor shall mail to the transferee the report referred to in subsection (b). Upon receipt from a transferee of a completed form mailed in response to a report mailed under this subsection, the county assessor shall:**

**(1) compare that completed form to the most recent form, if any, completed under this section by the transferor of the homestead;**

**(2) identify in the form completed by the transferor any error or omission in the verification of physical features of the homestead that are material under this article and the rules of the department of local government finance to the determination of the real property tax assessment of the homestead; and**

**(3) identify to the county treasurer each transferor responsible for an error or omission identified under subdivision (2).**

**(d) A transferor of a homestead responsible for an error or omission identified under subsection (c)(2) is subject to a civil penalty of five hundred dollars (\$500). If the transferor is subject to property taxes on tangible property in the county, the county**

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treasurer shall:

(1) include the penalty on the transferor's property tax statement under IC 6-1.1-22-8.1; and

(2) if the penalty is not paid in response to the statement under subdivision (1), collect the penalty in the same manner as delinquent personal property taxes are collected under IC 6-1.1-23.

(e) If the county assessor receives a completed form mailed under subsection (b) or (c) on or before the date specified under subsection (b)(4), the county assessor shall notify the county treasurer of the eligibility of the owner of the homestead who completed and mailed the form for a payment from the county in the amount of fifty dollars (\$50). The county treasurer shall make the payment, without appropriation, from the county general fund.

(f) If the county assessor receives a completed form under this section for a homestead in a township served by a township assessor, the county assessor shall forward the completed form to the township assessor.

(g) The department of local government finance shall promulgate the form referred to in subsection (b)(2).

SECTION 2. IC 6-1.1-22-8.1, AS AMENDED BY P.L.3-2008, SECTION 53, AND AS AMENDED BY P.L.146-2008, SECTION 251, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.1. (a) This section applies only to property taxes and special assessments first due and payable after December 31, 2007.

(b) The county treasurer shall:

(1) mail to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book; and

(2) transmit by written, electronic, or other means to a mortgagee maintaining an escrow account for a person who is liable for any property taxes or special assessments, as shown on the tax duplicate or special assessment records;

a statement in the form required under subsection (c). *However, for property taxes first due and payable in 2008, the county treasurer may choose to use a tax statement that is different from the tax statement prescribed by the department under subsection (c). If a county chooses to use a different tax statement, the county must still transmit (with the tax bill) the statement in either color type or black-and-white type.*

(c) The department of local government finance shall prescribe a

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1 form, subject to the approval of the state board of accounts, for the  
2 statement under subsection (b) that includes at least the following:

3 (1) A statement of the taxpayer's current and delinquent taxes and  
4 special assessments.

5 (2) A breakdown showing the total property tax and special  
6 assessment liability and the amount of the taxpayer's liability that  
7 will be distributed to each taxing unit in the county.

8 (3) An itemized listing for each property tax levy, including:

9 (A) the amount of the tax rate;

10 (B) the entity levying the tax owed; and

11 (C) the dollar amount of the tax owed.

12 (4) Information designed to show the manner in which the taxes  
13 and special assessments billed in the tax statement are to be used.

14 (5) A comparison showing any change in the assessed valuation  
15 for the property as compared to the previous year.

16 (6) A comparison showing any change in the property tax and  
17 special assessment liability for the property as compared to the  
18 previous year. The information required under this subdivision  
19 must identify:

20 (A) the amount of the taxpayer's liability distributable to each  
21 taxing unit in which the property is located in the current year  
22 and in the previous year; and

23 (B) the percentage change, if any, in the amount of the  
24 taxpayer's liability distributable to each taxing unit in which  
25 the property is located from the previous year to the current  
26 year.

27 (7) An explanation of the following:

28 (A) The homestead credit and all property tax deductions.

29 (B) The procedure and deadline for filing for the homestead  
30 credit and each deduction.

31 (C) The procedure that a taxpayer must follow to:

32 (i) appeal a current assessment; or

33 (ii) petition for the correction of an error related to the  
34 taxpayer's property tax and special assessment liability.

35 (D) The forms that must be filed for an appeal or a petition  
36 described in clause (C).

37 The department of local government finance shall provide the  
38 explanation required by this subdivision to each county treasurer.

39 (8) A checklist that shows:

40 (A) the homestead credit and all property tax deductions; and

41 (B) whether the homestead credit and each property tax  
42 deduction applies in the current statement for the property

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transmitted under subsection (b).

**(9) A comparison that shows:**

**(A) the amount the taxpayer's current taxes would be if the property tax rate of each taxing unit in the taxing district in which the taxpayer's property is subject to taxation that is used to calculate the current taxes were determined based on an assessed valuation of the taxing unit that includes:**

- (i) the assessed valuation of all tangible property in the taxing unit that is exempt from property taxes; and**
- (ii) the assessed valuation of all tangible property in the taxing unit that is in an allocation area (as defined in IC 6-1.1-21.2-3) but is not part of the base assessed value (as defined in IC 6-1.1-21.2-4); and**

**(B) separately the effects under clause (A)(i) and (A)(ii) on the amount determined under clause (A).**

(d) The county treasurer may mail or transmit the statement one (1) time each year at least fifteen (15) days before the date on which the first or only installment is due. Whenever a person's tax liability for a year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of this chapter, a statement that is mailed must include the date on which the installment is due and denote the amount of money to be paid for the installment. Whenever a person's tax liability is due in two (2) installments, a statement that is mailed must contain the dates on which the first and second installments are due and denote the amount of money to be paid for each installment.

(e) All payments of property taxes and special assessments shall be made to the county treasurer. The county treasurer, when authorized by the board of county commissioners, may open temporary offices for the collection of taxes in cities and towns in the county other than the county seat.

(f) The county treasurer, county auditor, and county assessor shall cooperate to generate the information to be included in the statement under subsection (c).

(g) The information to be included in the statement under subsection (c) must be simply and clearly presented and understandable to the average individual.

(h) After December 31, 2007, a reference in a law or rule to IC 6-1.1-22-8 (*expired January 1, 2008, and repealed*) shall be treated as a reference to this section.

**SECTION 3. [EFFECTIVE UPON PASSAGE] IC 6-1.1-22-8.1, as amended by this act, applies only to property taxes first due and**

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1 **payable after 2009.**  
2 **SECTION 4. An emergency is declared for this act.**

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