SENATE BILL No. 44

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-4-4.3.

Synopsis: Homestead assessed value growth cap. Limits the annual increase in assessed value of a homestead to 2% unless: (1) ownership of the homestead changes during the year; or (2) the increase results from physical changes to the homestead.

Effective: January 1, 2012.

Steele

January 5, 2011, read first time and referred to Committee on Appropriations.

C o p y

Introduced

First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

C o p y

SENATE BILL No. 44

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-1.1-4-4.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: **Sec. 4.3. (a) As used in this section, "homestead" has the meaning set forth in IC 6-1.1-12-37.**

(b) Except as provided in subsection (c) and subject to subsection (d), for assessment dates after 2011, the assessed value of a homestead for an assessment date may not exceed the product of:

(1) the assessed value of the homestead for the immediately preceding assessment date; multiplied by

(2) one hundred two percent (102%).

(c) Subsection (b) does not apply for an assessment date if:

(1) the entire ownership interest; or

(2) any part of the ownership interest;

in the homestead changes on or before that assessment date and after the immediately preceding assessment date.

(d) Subsection (b):

(1) applies only to the extent that the increase in the assessed value of the homestead is attributable to:

(A) an annual adjustment under section 4.5 of this chapter; or

(B) the application in:

(i) a general reassessment under section 4 of this chapter; or

(ii) an assessment determined for the assessment date in a year other than a year in which a general assessment under section 4 of this chapter first applies;

of factors other than the recognition of one (1) or more physical changes to the property; and

(2) does not apply to the extent that the increase is attributable to the recognition of one (1) or more physical changes to the property.

(e) The department of local government finance shall adopt rules under IC 4-22-2 to implement this section.

C o p y