



Reprinted  
March 7, 2001

---

---

## HOUSE BILL No. 1902

---

DIGEST OF HB 1902 (Updated March 6, 2001 6:32 PM - DI 84)

**Citations Affected:** IC 6-1.1.

**Synopsis:** Lake County property tax. Sets a minimum assessed value and a maximum property tax deduction amount for residential property in Lake County. Requires the state board of tax commissioners to contract with an accounting firm to: (1) reassess real property for the general reassessment of real property in Lake County to be completed for the March 1, 2002, assessment date; and (2) examine the proper application of the minimum assessed values, the maximum deduction amounts, and certain limitations on property tax exemptions. Provides that a taxpayer may appeal the March 1, 2002, reassessment value to the state board of tax commissioners. Directs the state board of tax commissioners to correct any assessment, deduction, or exemption inaccuracies reported to the state board by the accounting firm.

**Effective:** January 1, 2001 (retroactive); July 1, 2001; January 1, 2002.

---

---

**Stevenson, Aguilera, Lawson L,  
Dumezich**

(SENATE SPONSORS — LANDSKE, ROGERS, ANTICH)

---

---

January 17, 2001, read first time and referred to Committee on Local Government.  
February 21, 2001, amended, reported — Do Pass.  
February 27, 2001, read second time, ordered engrossed.  
February 28, 2001, engrossed.  
March 6, 2001, read third time, recommitted to Committee of One, amended; passed. Yeas 92, nays 0.

---

---

C  
o  
p  
y

HB 1902—LS 7682/DI 94+



Reprinted  
March 7, 2001

First Regular Session 112th General Assembly (2001)

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 2000 General Assembly.

C  
o  
p  
y

## HOUSE BILL No. 1902

---

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

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

1 SECTION 1. IC 6-1.1-4-32 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2002]: **Sec. 32. (a) As used in this section, "qualifying**  
4 **county" means a county having a population of more than four**  
5 **hundred thousand (400,000) but less than seven hundred thousand**  
6 **(700,000).**

7 (b) **Notwithstanding IC 6-1.1-4-15 and IC 6-1.1-4-17, a township**  
8 **assessor in a qualifying county may not appraise property, or have**  
9 **property appraised, for the general reassessment of real property**  
10 **to be completed for the March 1, 2002, assessment date.**  
11 **Completion of that general reassessment in a qualifying county is**  
12 **instead governed by this section.**

13 (c) **The state board of tax commissioners shall select and**  
14 **contract with a nationally recognized appraisal firm to appraise**  
15 **property for the general reassessment of real property in a**  
16 **qualifying county to be completed for the March 1, 2002,**  
17 **assessment date. The contract must include:**

HB 1902—LS 7682/DI 94+



- 1 (1) a fixed date by which the appraisal firm must complete all  
 2 responsibilities under the contract;  
 3 (2) a provision requiring the appraisal firm to use the land  
 4 values determined for the qualifying county under  
 5 IC 6-1.1-4-13.6;  
 6 (3) a penalty clause under which the amount to be paid for  
 7 appraisal services is decreased for failure to complete  
 8 specified services within the specified time;  
 9 (4) a provision requiring the appraisal firm to make periodic  
 10 reports to the state board of tax commissioners;  
 11 (5) a provision stipulating the manner in which, and the time  
 12 intervals at which, the periodic reports referred to in  
 13 subdivision (4) are to be made;  
 14 (6) a precise stipulation of what service or services are to be  
 15 provided;  
 16 (7) a provision requiring the appraisal firm to deliver a report  
 17 of the assessed value of each parcel in a township in the  
 18 qualifying county to the state board of tax commissioners; and  
 19 (8) any other provisions required by the state board of tax  
 20 commissioners.
- 21 (d) After receiving the report of assessed values from the  
 22 appraisal firm, the state board of tax commissioners shall give  
 23 notice to the taxpayer and the county assessor, by mail, of the  
 24 amount of the reassessment. The notice of reassessment is subject  
 25 to appeal by the taxpayer to the state board of tax commissioners.  
 26 Except as provided in subsection (e), the procedures and time  
 27 limitations that apply to an appeal to the state board of tax  
 28 commissioners of a determination of the county property tax  
 29 assessment board of appeals under IC 6-1.1-15 apply to an appeal  
 30 under this subsection. A determination by the state board of tax  
 31 commissioners of an appeal under this subsection is subject to  
 32 appeal to the tax court under IC 6-1.1-15.
- 33 (e) In order to obtain a review by the state board of tax  
 34 commissioners under subsection (d), the taxpayer must file a  
 35 petition for review with the appropriate county assessor within  
 36 forty-five (45) days after the notice of the state board of tax  
 37 commissioners is given to the taxpayer under subsection (d).
- 38 (f) The state board of tax commissioners shall mail the notice  
 39 required by subsection (d) within ninety (90) days after the board  
 40 receives the report for a parcel from the professional appraisal  
 41 firm.
- 42 (g) The cost of a contract under this section shall be paid from

C  
O  
P  
Y



1 the property reassessment fund of the qualifying county  
2 established under IC 6-1.1-4-27.

3 (h) The state board of tax commissioners may begin the process  
4 of selecting a contractor under this section before January 1, 2002,  
5 but may not execute a written contract until after that date.

6 SECTION 2. IC 6-1.1-6.8 IS ADDED TO THE INDIANA CODE  
7 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
8 JANUARY 1, 2002]:

9 **Chapter 6.8. Residential Assessments, Deductions, and**  
10 **Exemptions in Qualifying Counties**

11 **Sec. 1. As used in this chapter, "agreed to procedures report"**  
12 **means a report based on procedures agreed to by an independent**  
13 **nationally recognized certified public accounting firm and the state**  
14 **board of tax commissioners on the accuracy of the implementation:**

15 **(1) of minimum assessed values under sections 7 and 8 of this**  
16 **chapter in a qualifying county by:**

17 **(A) the township assessors of the townships in the**  
18 **qualifying county; and**

19 **(B) the county property tax assessment board of appeals of**  
20 **the qualifying county;**

21 **(2) by the county auditor of the qualifying county of**  
22 **maximum combined deductions under section 10 of this**  
23 **chapter;**

24 **(3) of the limitation on net assessed value under section 11 of**  
25 **this chapter by:**

26 **(A) the township assessors of the townships in the**  
27 **qualifying county;**

28 **(B) the county auditor of the qualifying county; and**

29 **(C) the county property tax assessment board of appeals of**  
30 **the qualifying county;**

31 **(4) by the county auditor of the qualifying county of the**  
32 **limitations under IC 6-1.1-12 on the application against the**  
33 **assessed values of multiple parcels of deductions under a**  
34 **section in an amount that exceeds the maximum deduction**  
35 **amount stated in the section; and**

36 **(5) by the county property tax assessment board of appeals of**  
37 **the qualifying county of the exemption limitation under**  
38 **IC 6-1.1-10-16(d)(3).**

39 **Sec. 2. As used in this chapter, "legislative body" has the**  
40 **meaning set forth in IC 36-1-2-9.**

41 **Sec. 3. As used in this chapter, "net assessed value" means the**  
42 **remainder of:**



C  
O  
P  
Y

1 (1) the combined assessed value of a single family residence  
2 and the single family residence land upon which the residence  
3 is located; minus

4 (2) the combined deductions under IC 6-1.1-12 applicable to  
5 the combined assessed value of the single family residence and  
6 the single family residence land upon which the residence is  
7 located.

8 Sec. 4. As used in this chapter, "qualifying county" means a  
9 county having a population of more than four hundred thousand  
10 (400,000) but less than seven hundred thousand (700,000).

11 Sec. 5. As used in this chapter, "single family residence" means  
12 a building designed to house one (1) family.

13 Sec. 6. As used in this chapter, "single family residence land"  
14 means the parcel of land on which a single family residence:

15 (1) is located; or

16 (2) has been located within the ten (10) years immediately  
17 preceding the assessment date for which a minimum assessed  
18 value is determined under this chapter.

19 Sec. 7. The minimum assessed value of a single family residence  
20 located in a qualifying county is seventeen thousand dollars  
21 (\$17,000).

22 Sec. 8. The minimum assessed value of single family residence  
23 land located in a qualifying county is three thousand dollars  
24 (\$3,000).

25 Sec. 9. A minimum assessed value under this chapter is  
26 presumed to be accurate unless the inaccuracy of the minimum  
27 assessment is established by clear and convincing evidence.

28 Sec. 10. The maximum combined deductions under IC 6-1.1-12  
29 applicable to the combined assessed value of a single family  
30 residence and the single family residence land upon which the  
31 residence is located in a qualifying county is twelve thousand  
32 dollars (\$12,000).

33 Sec. 11. The application of deductions under IC 6-1.1-12 may  
34 not reduce the net assessed value of a single family residence and  
35 the single family residence land upon which the residence is located  
36 in a qualifying county to an amount less than eight thousand  
37 dollars (\$8,000).

38 Sec. 12. With respect to each year in which a general  
39 reassessment of real property is completed as required under  
40 section 4 of this chapter, the state board of tax commissioners shall  
41 contract for an independent nationally recognized certified public  
42 accounting firm to:



C  
O  
P  
Y

- 1 (1) conduct a review of the accuracy of the implementations
- 2 referred to in section 1(1) through 1(5) of this chapter; and
- 3 (2) prepare an agreed to procedures report.

4 **Sec. 13. The state board of tax commissioners shall contract**  
 5 **under section 12 of this chapter with the same firm that contracts**  
 6 **with the board under IC 6-1.1-4-32(d).**

7 **Sec. 14. The firm that prepares the agreed to procedures report**  
 8 **shall submit the report to:**

- 9 (1) the legislative body of the qualifying county;
- 10 (2) the prosecuting attorney of the qualifying county;
- 11 (3) the state board of tax commissioners; and
- 12 (4) the attorney general.

13 **Sec. 15. If the state board of tax commissioners determines from**  
 14 **the agreed to procedures report that the minimum assessed values**  
 15 **established in this chapter were not accurately applied in the**  
 16 **qualifying county, or in any part of the qualifying county, the state**  
 17 **board shall implement the minimum assessed values using its**  
 18 **authority to reassess property under IC 6-1.1-14-10.**

19 **Sec. 16. If the state board of tax commissioners determines from**  
 20 **the agreed to procedures report that the implementations referred**  
 21 **to in section 1(2) through 1(5) of this chapter were not accurate in**  
 22 **the qualifying county, or in any part of the qualifying county, the**  
 23 **state board shall correct the implementations. The state board of**  
 24 **tax commissioners may correct the implementations subject to the**  
 25 **same authority and limitations that apply to the reassessment of**  
 26 **property by the state board under IC 6-1.1-14-10.**

27 SECTION 3. IC 6-1.1-12-1 IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 1. (a) Each year  
 29 a person who is a resident of this state may receive a deduction from  
 30 the assessed value of:

- 31 (1) mortgaged real property that he owns; or
- 32 (2) real property that he is buying under a contract, with the
- 33 contract or a memorandum of the contract recorded in the county
- 34 recorder's office, which provides that he is to pay the property
- 35 taxes on the real property.

36 (b) The total amount of the deduction which the person may receive  
 37 under this section for a particular year is:

- 38 (1) the balance of the mortgage or contract indebtedness on the
- 39 assessment date of that year;
- 40 (2) one-half (1/2) of the assessed value of the real property; or
- 41 (3) three thousand dollars (\$3,000);

42 whichever is least.

C  
o  
p  
y



1 (c) A person who has sold real property to another person under a  
 2 contract which provides that the contract buyer is to pay the property  
 3 taxes on the real property may not claim the deduction provided under  
 4 this section with respect to that real property.

5 **(d) The amount of a deduction to which a person is entitled**  
 6 **under this section is subject to the limitation established by**  
 7 **IC 6-1.1-6.8-10.**

8 SECTION 4. IC 6-1.1-12-9 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 9. (a) An  
 10 individual may obtain a deduction from the assessed value of the  
 11 individual's real property, or mobile home which is not assessed as real  
 12 property, if:

13 (1) the individual is at least sixty-five (65) years of age on or  
 14 before December 31 of the calendar year preceding the year in  
 15 which the deduction is claimed;

16 (2) the combined adjusted gross income (as defined in Section 62  
 17 of the Internal Revenue Code) of:

18 (A) the individual and the individual's spouse; or

19 (B) the individual and all other individuals with whom:

20 (i) the individual shares ownership; or

21 (ii) the individual is purchasing the property under a  
 22 contract;

23 as joint tenants or tenants in common;

24 for the calendar year preceding the year in which the deduction is  
 25 claimed did not exceed twenty-five thousand dollars (\$25,000);

26 (3) the individual has owned the real property or mobile home for  
 27 at least one (1) year before claiming the deduction; or the  
 28 individual has been buying the real property under a contract that  
 29 provides that the individual is to pay the property taxes on the real  
 30 property or mobile home for at least one (1) year before claiming  
 31 the deduction, and the contract or a memorandum of the contract  
 32 is recorded in the county recorder's office;

33 (4) the individual and any individuals covered by subdivision  
 34 (2)(B) reside on the real property or in the mobile home;

35 (5) the assessed value of the real property or mobile home does  
 36 not exceed sixty-nine thousand dollars (\$69,000); and

37 (6) the individual receives no other property tax deduction for the  
 38 year in which the deduction is claimed, except the deductions  
 39 provided by sections 1, 37, and 38 of this chapter.

40 (b) Except as provided in subsection (h), in the case of real property,  
 41 an individual's deduction under this section equals the lesser of:

42 (1) one-half (1/2) of the assessed value of the real property; or

C  
o  
p  
y



- 1 (2) six thousand dollars (\$6,000).
- 2 (c) Except as provided in subsection (h), in the case of a mobile  
3 home which is not assessed as real property, an individual's deduction  
4 under this section equals the lesser of:
- 5 (1) one-half (1/2) of the assessed value of the mobile home; or  
6 (2) six thousand dollars (\$6,000).
- 7 (d) An individual may not be denied the deduction provided under  
8 this section because the individual is absent from the real property or  
9 a mobile home while in a nursing home or hospital.
- 10 (e) For purposes of this section, if real property or a mobile home is  
11 owned by:
- 12 (1) tenants by the entirety;  
13 (2) joint tenants; or  
14 (3) tenants in common;
- 15 only one (1) deduction may be allowed. However, the age requirement  
16 is satisfied if any one (1) of the tenants is at least sixty-five (65) years  
17 of age.
- 18 (f) A surviving spouse is entitled to the deduction provided by this  
19 section if:
- 20 (1) the surviving spouse is at least sixty (60) years of age on or  
21 before December 31 of the calendar year preceding the year in  
22 which the deduction is claimed;
- 23 (2) the surviving spouse's deceased husband or wife was at least  
24 sixty-five (65) years of age at the time of a death;
- 25 (3) the surviving spouse has not remarried; and  
26 (4) the surviving spouse satisfies the requirements prescribed in  
27 subsection (a)(2) through (a)(6).
- 28 (g) An individual who has sold real property to another person  
29 under a contract that provides that the contract buyer is to pay the  
30 property taxes on the real property may not claim the deduction  
31 provided under this section against that real property.
- 32 (h) In the case of tenants covered by subsection (a)(2)(B), if all of  
33 the tenants are not at least sixty-five (65) years of age, the deduction  
34 allowed under this section shall be reduced by an amount equal to the  
35 deduction multiplied by a fraction. The numerator of the fraction is the  
36 number of tenants who are not at least sixty-five (65) years of age, and  
37 the denominator is the total number of tenants.
- 38 **(i) The amount of a deduction to which an individual is entitled**  
39 **under this section is subject to the limitation established by**  
40 **IC 6-1.1-6.8-10.**
- 41 SECTION 5. IC 6-1.1-12-11 IS AMENDED TO READ AS  
42 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 11. (a) An

C  
O  
P  
Y





1 individual may have the sum of six thousand dollars (\$6,000) deducted  
 2 from the assessed value of real property that the individual owns, or  
 3 that the individual is buying under a contract that provides that the  
 4 individual is to pay property taxes on the real property, if the contract  
 5 or a memorandum of the contract is recorded in the county recorder's  
 6 office, and if:

- 7 (1) the individual is blind or the individual is a disabled person;  
 8 (2) the real property is principally used and occupied by the  
 9 individual as the individual's residence; and  
 10 (3) the individual's taxable gross income for the calendar year  
 11 preceding the year in which the deduction is claimed did not  
 12 exceed seventeen thousand dollars (\$17,000).

13 (b) For purposes of this section, taxable gross income does not  
 14 include income which is not taxed under the federal income tax laws.

15 (c) For purposes of this section, "blind" has the same meaning as the  
 16 definition contained in IC 12-7-2-21(1).

17 (d) For purposes of this section, "disabled person" means a person  
 18 unable to engage in any substantial gainful activity by reason of a  
 19 medically determinable physical or mental impairment which:

- 20 (1) can be expected to result in death; or  
 21 (2) has lasted or can be expected to last for a continuous period of  
 22 not less than twelve (12) months.

23 (e) Disabled persons filing claims under this section shall submit  
 24 proof of disability in such form and manner as the department shall by  
 25 rule prescribe. Proof that a claimant is eligible to receive disability  
 26 benefits under the federal Social Security Act (42 U.S.C. 301 et seq.)  
 27 shall constitute proof of disability for purposes of this section.

28 (f) A disabled person not covered under the federal Social Security  
 29 Act shall be examined by a physician and the individual's status as a  
 30 disabled person determined by using the same standards as used by the  
 31 Social Security Administration. The costs of this examination shall be  
 32 borne by the claimant.

33 (g) An individual who has sold real property to another person  
 34 under a contract that provides that the contract buyer is to pay the  
 35 property taxes on the real property may not claim the deduction  
 36 provided under this section against that real property.

37 **(h) The amount of a deduction to which an individual is entitled**  
 38 **under this section is subject to the limitation established by**  
 39 **IC 6-1.1-6.8-10.**

40 SECTION 6. IC 6-1.1-12-13, AS AMENDED BY P.L.123-1999,  
 41 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 42 JANUARY 1, 2002]: Sec. 13. (a) An individual may have twelve

C  
o  
p  
y



1 thousand dollars (\$12,000) deducted from the assessed value of the  
 2 taxable tangible property that the individual owns, or real property that  
 3 the individual is buying under a contract that provides that the  
 4 individual is to pay property taxes on the real property, if the contract  
 5 or a memorandum of the contract is recorded in the county recorder's  
 6 office and if:

7 (1) the individual served in the military or naval forces of the  
 8 United States during any of its wars;

9 (2) the individual received an honorable discharge;

10 (3) the individual is disabled with a service connected disability  
 11 of ten percent (10%) or more; and

12 (4) the individual's disability is evidenced by:

13 (A) a pension certificate, an award of compensation, or a  
 14 disability compensation check issued by the United States  
 15 Department of Veterans Affairs; or

16 (B) a certificate of eligibility issued to the individual by the  
 17 Indiana department of veterans' affairs after the Indiana  
 18 department of veterans' affairs has determined that the  
 19 individual's disability qualifies the individual to receive a  
 20 deduction under this section.

21 (b) The surviving spouse of an individual may receive the deduction  
 22 provided by this section if the individual would qualify for the  
 23 deduction if the individual were alive.

24 (c) One who receives the deduction provided by this section may not  
 25 receive the deduction provided by section 16 of this chapter. However,  
 26 the individual may receive any other property tax deduction which the  
 27 individual is entitled to by law.

28 (d) An individual who has sold real property to another person  
 29 under a contract that provides that the contract buyer is to pay the  
 30 property taxes on the real property may not claim the deduction  
 31 provided under this section against that real property.

32 **(e) The amount of a deduction to which an individual is entitled**  
 33 **under this section is subject to the limitation established by**  
 34 **IC 6-1.1-6.8-10.**

35 SECTION 7. IC 6-1.1-12-14, AS AMENDED BY P.L.123-1999,  
 36 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JANUARY 1, 2002]: Sec. 14. (a) Except as provided in subsection (c),  
 38 an individual may have the sum of six thousand dollars (\$6,000)  
 39 deducted from the assessed value of the tangible property that the  
 40 individual owns (or the real property that the individual is buying under  
 41 a contract that provides that the individual is to pay property taxes on  
 42 the real property if the contract or a memorandum of the contract is

C  
O  
P  
Y



1 recorded in the county recorder's office) if:

2 (1) the individual served in the military or naval forces of the

3 United States for at least ninety (90) days;

4 (2) the individual received an honorable discharge;

5 (3) the individual either:

6 (A) is totally disabled; or

7 (B) is at least sixty-two (62) years old and has a disability of at

8 least ten percent (10%); and

9 (4) the individual's disability is evidenced by:

10 (A) a pension certificate or an award of compensation issued

11 by the United States Department of Veterans Affairs; or

12 (B) a certificate of eligibility issued to the individual by the

13 Indiana department of veterans' affairs after the Indiana

14 department of veterans' affairs has determined that the

15 individual's disability qualifies the individual to receive a

16 deduction under this section.

17 (b) Except as provided in subsection (c), the surviving spouse of an

18 individual may receive the deduction provided by this section if the

19 individual would qualify for the deduction if the individual were alive.

20 (c) No one is entitled to the deduction provided by this section if the

21 assessed value of the individual's tangible property, as shown by the tax

22 duplicate, exceeds fifty-four thousand dollars (\$54,000).

23 (d) An individual who has sold real property to another person

24 under a contract that provides that the contract buyer is to pay the

25 property taxes on the real property may not claim the deduction

26 provided under this section against that real property.

27 **(e) The amount of a deduction to which an individual is entitled**

28 **under this section is subject to the limitation established by**

29 **IC 6-1.1-6.8-10.**

30 SECTION 8. IC 6-1.1-12-16 IS AMENDED TO READ AS

31 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 16. (a) A

32 surviving spouse may have the sum of nine thousand dollars (\$9,000)

33 deducted from the assessed value of his or her tangible property, or real

34 property that the surviving spouse is buying under a contract that

35 provides that he is to pay property taxes on the real property, if the

36 contract or a memorandum of the contract is recorded in the county

37 recorder's office, and if:

38 (1) the deceased spouse served in the military or naval forces of

39 the United States before November 12, 1918; and

40 (2) the deceased spouse received an honorable discharge.

41 (b) A surviving spouse who receives the deduction provided by this

42 section may not receive the deduction provided by section 13 of this

COPY



1 chapter. However, he or she may receive any other deduction which he  
2 or she is entitled to by law.

3 (c) An individual who has sold real property to another person under  
4 a contract that provides that the contract buyer is to pay the property  
5 taxes on the real property may not claim the deduction provided under  
6 this section against that real property.

7 **(d) The amount of a deduction to which a surviving spouse is**  
8 **entitled under this section is subject to the limitation established by**  
9 **IC 6-1.1-6.8-10.**

10 SECTION 9. IC 6-1.1-12-17.4 IS AMENDED TO READ AS  
11 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 17.4. (a) A World  
12 War I veteran who is a resident of Indiana is entitled to have the sum  
13 of nine thousand dollars (\$9,000) deducted from the assessed valuation  
14 of the real property the veteran owns or is buying under a contract that  
15 requires the veteran to pay property taxes on the real property if the  
16 contract or a memorandum of the contract is recorded in the county  
17 recorder's office, including a mobile home which is assessed as real  
18 property, if:

- 19 (1) the real property is the veteran's principal residence;  
20 (2) the assessed valuation of the real property does not exceed  
21 seventy-eight thousand dollars (\$78,000); and  
22 (3) the veteran owns the real property for at least one (1) year  
23 before claiming the deduction.

24 (b) An individual may not be denied the deduction provided by this  
25 section because the individual is absent from the individual's principal  
26 residence while in a nursing home or hospital.

27 (c) For purposes of this section, if real property is owned by a  
28 husband and wife as tenants by the entirety, only one (1) deduction may  
29 be allowed under this section. However, the deduction provided in this  
30 section applies if either spouse satisfies the requirements prescribed in  
31 subsection (a).

32 (d) An individual who has sold real property to another person  
33 under a contract that provides that the contract buyer is to pay the  
34 property taxes on the real property may not claim the deduction  
35 provided under this section with respect to that real property.

36 **(e) The amount of a deduction to which an individual is entitled**  
37 **under this section is subject to the limitation established by**  
38 **IC 6-1.1-6.8-10.**

39 SECTION 10. IC 6-1.1-12-18 IS AMENDED TO READ AS  
40 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 18. (a) If the  
41 assessed value of residential real property described in subsection (d)  
42 of this section is increased because it has been rehabilitated, the owner

C  
o  
p  
y



1 may have deducted from the assessed value of the property an amount  
2 not to exceed the lesser of:

3 (1) the total increase in assessed value resulting from the  
4 rehabilitation; or

5 (2) nine thousand dollars (\$9,000) per rehabilitated dwelling unit.

6 The owner is entitled to this deduction annually for a five (5) year  
7 period.

8 (b) For purposes of this section, the term "rehabilitation" means  
9 repairs, replacements, or improvements which are intended to increase  
10 the livability, utility, safety, or value of the property and which do not  
11 increase the total amount of floor space devoted to residential purposes  
12 unless the increase in floor space is required in order to make the  
13 building comply with a local housing code or zoning ordinance.

14 (c) For the purposes of this section, the term "owner" or "property  
15 owner" includes any person who has the legal obligation, or has  
16 otherwise assumed the obligation, to pay the real property taxes on the  
17 rehabilitated property.

18 (d) The deduction provided by this section applies only for the  
19 rehabilitation of residential real property which is located within this  
20 state and which is described in one (1) of the following classifications:

21 (1) a single family dwelling if before rehabilitation the assessed  
22 value (excluding any exemptions or deductions) of the  
23 improvements does not exceed eighteen thousand dollars  
24 (\$18,000);

25 (2) a two (2) family dwelling if before rehabilitation the assessed  
26 value (excluding exemptions or deductions) of the improvements  
27 does not exceed twenty-four thousand dollars (\$24,000) and

28 (3) a dwelling with more than two (2) family units if before  
29 rehabilitation the assessed value (excluding any exemptions or  
30 deductions) of the improvements does not exceed nine thousand  
31 dollars (\$9,000) per dwelling unit.

32 **(e) The amount of a deduction to which an owner is entitled**  
33 **under this section is subject to the limitation established by**  
34 **IC 6-1.1-6.8-10.**

35 SECTION 11. IC 6-1.1-12-22 IS AMENDED TO READ AS  
36 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 22. (a) If the  
37 assessed value of property is increased because it has been rehabilitated  
38 and the owner has paid at least ten thousand dollars (\$10,000) for the  
39 rehabilitation, the owner is entitled to have deducted from the assessed  
40 value of the property an amount equal to fifty percent (50%) of the  
41 increase in assessed value resulting from the rehabilitation. The owner  
42 is entitled to this deduction annually for a five (5) year period.

**HB 1902—LS 7682/DI 94+**



C  
o  
p  
y

1 However, the maximum deduction which a property owner may receive  
2 under this section for a particular year is:

- 3 (1) sixty thousand dollars (\$60,000) for a single family dwelling
- 4 unit; or
- 5 (2) three hundred thousand dollars (\$300,000) for any other type
- 6 of property.

7 (b) For purposes of this section, the term "property" means a  
8 building or structure which was erected at least ten (10) years before  
9 the date of application for the deduction provided by this section. The  
10 term "property" does not include land.

11 (c) For purposes of this section the term "rehabilitation" means the  
12 remodeling, repair, or betterment of property in any manner or any  
13 enlargement or extension of property. However, the enlargement or  
14 extension of the enclosed floor area of property shall, for computation  
15 of the deduction, be limited within a five (5) year period to a total  
16 additional enclosed floor area equal to the size of the enclosed floor  
17 area of the property on the date of completion of the first extension or  
18 enlargement completed after March 1, 1973.

19 **(d) The amount of a deduction to which an owner is entitled**  
20 **under this section is subject to the limitation established by**  
21 **IC 6-1.1-6.8-10.**

22 SECTION 12. IC 6-1.1-12-26 IS AMENDED TO READ AS  
23 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 26. (a) The owner  
24 of real property, or a mobile home which is not assessed as real  
25 property, which is equipped with a solar energy heating or cooling  
26 system may have deducted annually from the assessed value of the real  
27 property or mobile home an amount which is equal to the remainder of  
28 (1) the assessed value of the real property or mobile home with the  
29 solar energy heating or cooling system included, minus (2) the assessed  
30 value of the real property or mobile home without the system.

31 (b) The state board of tax commissioners shall promulgate rules and  
32 regulations for determining the value of a solar energy heating or  
33 cooling system. The rules and regulations must provide the method of  
34 determining the value on the basis of:

- 35 (1) the cost of the system components that are unique to the
- 36 system and that are needed to collect, store, or distribute solar
- 37 energy; and
- 38 (2) any other factor that is a just and proper indicator of value.

39 **(c) The amount of a deduction to which an owner is entitled**  
40 **under this section is subject to the limitation established by**  
41 **IC 6-1.1-6.8-10.**

42 SECTION 13. IC 6-1.1-12-29 IS AMENDED TO READ AS

C  
o  
p  
y



1 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 29. (a) For  
2 purposes of this section, "wind power device" means a device, such as  
3 a windmill or a wind turbine, that is designed to utilize the kinetic  
4 energy of moving air to provide mechanical energy or to produce  
5 electricity.

6 (b) The owner of real property, or a mobile home that is not assessed  
7 as real property, that is equipped with a wind power device is entitled  
8 to an annual property tax deduction. The amount of the deduction  
9 equals the remainder of (1) the assessed value of the real property or  
10 mobile home with the wind power device included, minus (2) the  
11 assessed value of the real property or mobile home without the wind  
12 power device.

13 (c) **The amount of a deduction to which an owner is entitled**  
14 **under this section is subject to the limitation established by**  
15 **IC 6-1.1-6.8-10.**

16 SECTION 14. IC 6-1.1-12-33 IS AMENDED TO READ AS  
17 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 33. (a) For  
18 purposes of this section "hydroelectric power device" means a device  
19 which is installed after December 31, 1981, and is designed to utilize  
20 the kinetic power of moving water to provide mechanical energy or to  
21 produce electricity.

22 (b) The owner of real property, or a mobile home that is not assessed  
23 as real property, that is equipped with a hydroelectric power device is  
24 annually entitled to a property tax deduction. The amount of the  
25 deduction equals the remainder of: (1) the assessed value of the real  
26 property or mobile home with the hydroelectric power device; minus  
27 (2) the assessed value of the real property or mobile home without the  
28 hydroelectric power device.

29 (c) **The amount of a deduction to which an owner is entitled**  
30 **under this section is subject to the limitation established by**  
31 **IC 6-1.1-6.8-10.**

32 SECTION 15. IC 6-1.1-12-34 IS AMENDED TO READ AS  
33 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 34. (a) For  
34 purposes of this section, "geothermal energy heating or cooling device"  
35 means a device that is installed after December 31, 1981, and is  
36 designed to utilize the natural heat from the earth to provide hot water,  
37 produce electricity, or generate heating or cooling.

38 (b) The owner of real property, or a mobile home that is not assessed  
39 as real property, that is equipped with a geothermal energy heating or  
40 cooling device is annually entitled to a property tax deduction. The  
41 amount of the deduction equals the remainder of: (1) the assessed value  
42 of the real property or mobile home with the geothermal heating or

C  
o  
p  
y



1 cooling device; minus (2) the assessed value of the real property or  
2 mobile home without the geothermal heating or cooling device.

3 **(c) The amount of a deduction to which an owner is entitled**  
4 **under this section is subject to the limitation established by**  
5 **IC 6-1.1-6.8-10.**

6 SECTION 16. IC 6-1.1-12-37 IS AMENDED TO READ AS  
7 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 37. (a) Each year  
8 a person who is entitled to receive the homestead credit provided under  
9 IC 6-1.1-20.9 for property taxes payable in the following year is  
10 entitled to a standard deduction from the assessed value of the real  
11 property that qualifies for the homestead credit. The auditor of the  
12 county shall record and make the deduction for the person qualifying  
13 for the deduction.

14 (b) The total amount of the deduction that a person may receive  
15 under this section for a particular year is the lesser of:

16 (1) one-half (1/2) of the assessed value of the real property; or

17 (2) six thousand dollars (\$6,000).

18 (c) A person who has sold real property to another person under a  
19 contract that provides that the contract buyer is to pay the property  
20 taxes on the real property may not claim the deduction provided under  
21 this section with respect to that real property.

22 **(d) The amount of a deduction to which a person is entitled**  
23 **under this section is subject to the limitation established by**  
24 **IC 6-1.1-6.8-10.**

25 SECTION 17. IC 6-1.1-17-16 IS AMENDED TO READ AS  
26 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 16. (a) Subject to  
27 the limitations and requirements prescribed in this section, the state  
28 board of tax commissioners may revise, reduce, or increase a political  
29 subdivision's budget, tax rate, or tax levy which the board reviews  
30 under section 8 or 10 of this chapter.

31 (b) Subject to the limitations and requirements prescribed in this  
32 section, the state board of tax commissioners may review, revise,  
33 reduce, or increase the budget, tax rate, or tax levy of any of the  
34 political subdivisions whose tax rates compose the aggregate tax rate  
35 within a political subdivision whose budget, tax rate, or tax levy is the  
36 subject of an appeal initiated under this chapter.

37 (c) Except as provided in subsection (i), before the state board of tax  
38 commissioners reviews, revises, reduces, or increases a political  
39 subdivision's budget, tax rate, or tax levy under this section, the board  
40 must hold a public hearing on the budget, tax rate, and tax levy. The  
41 board shall hold the hearing in the county in which the political  
42 subdivision is located. The board may consider the budgets, tax rates,



C  
o  
p  
y



1 and tax levies of several political subdivisions at the same public  
 2 hearing. At least five (5) days before the date fixed for a public hearing,  
 3 the board shall give notice of the time and place of the hearing and of  
 4 the budgets, levies, and tax rates to be considered at the hearing. The  
 5 board shall publish the notice in two (2) newspapers of general  
 6 circulation published in the county. However, if only one (1)  
 7 newspaper of general circulation is published in the county, the board  
 8 shall publish the notice in that newspaper.

9 (d) Except as provided in subsection (h), IC 6-1.1-19, or  
 10 IC 6-1.1-18.5, the state board of tax commissioners may not increase  
 11 a political subdivision's budget, tax rate, or tax levy to an amount which  
 12 exceeds the amount originally fixed by the political subdivision. The  
 13 state board of tax commissioners shall give the political subdivision  
 14 written notification specifying any revision, reduction, or increase the  
 15 state board of tax commissioners proposes in a political subdivision's  
 16 tax levy or tax rate. The political subdivision has one (1) week from the  
 17 date the political subdivision receives the notice to provide a written  
 18 response to the state board of tax commissioners' Indianapolis office  
 19 specifying how to make the required reductions in the amount budgeted  
 20 for each office or department. The state board of tax commissioners  
 21 shall make reductions as specified in the political subdivision's  
 22 response if the response is provided as required by this subsection and  
 23 sufficiently specifies all necessary reductions. The state board of tax  
 24 commissioners may make a revision, a reduction, or an increase in a  
 25 political subdivision's budget only in the total amounts budgeted for  
 26 each office or department within each of the major budget  
 27 classifications prescribed by the state board of accounts.

28 (e) The state board of tax commissioners may not approve a levy for  
 29 lease payments by a city, town, county, library, or school corporation  
 30 if the lease payments are payable to a building corporation for use by  
 31 the building corporation for debt service on bonds and if:

- 32 (1) no bonds of the building corporation are outstanding; or
- 33 (2) the building corporation has enough legally available funds on  
 34 hand to redeem all outstanding bonds payable from the particular  
 35 lease rental levy requested.

36 (f) The action of the state board of tax commissioners on a budget,  
 37 tax rate, or tax levy is final. The board shall certify its action to:

- 38 (1) the county auditor; ~~and~~
- 39 (2) the political subdivision if the state board acts pursuant to an  
 40 appeal initiated by the political subdivision; ~~and~~
- 41 **(3) for a municipality located in a qualifying county (as**  
 42 **defined in IC 6-1.1-6.8-2), the department of state revenue.**

C  
o  
p  
y



- 1 (g) The state board of tax commissioners is expressly directed to
- 2 complete the duties assigned to it under this section not later than
- 3 February 15th of each year for taxes to be collected during that year.
- 4 (h) Subject to the provisions of all applicable statutes, the state
- 5 board of tax commissioners may increase a political subdivision's tax
- 6 levy to an amount that exceeds the amount originally fixed by the
- 7 political subdivision if the increase is:
  - 8 (1) requested in writing by the officers of the political
  - 9 subdivision;
  - 10 (2) either:
    - 11 (A) based on information first obtained by the political
    - 12 subdivision after the public hearing under section 3 of this
    - 13 chapter; or
    - 14 (B) results from an inadvertent mathematical error made in
    - 15 determining the levy; and
    - 16 (3) published by the political subdivision according to a notice
    - 17 provided by the state board of tax commissioners.
  - 18 (i) The state board of tax commissioners shall annually review the
  - 19 budget of each school corporation not later than April 1. The state
  - 20 board of tax commissioners shall give the school corporation written
  - 21 notification specifying any revision, reduction, or increase the state
  - 22 board of tax commissioners proposes in the school corporation's
  - 23 budget. A public hearing is not required in connection with this review
  - 24 of the budget.

COPY



COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1902, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1902 as introduced.)

STEVENSON, Chair

Committee Vote: yeas 13, nays 0.

C  
o  
p  
y



## HOUSE MOTION

Mr. Speaker: I move that House Bill 1902 be recommitted to a Committee of One, its sponsor, with specific instructions to amend as follows:

Page 1, line 9, after "for", delete "a" and insert "**the**".

Page 1, line 9, after "reassessment" insert "**of real property to be completed for the March 1, 2002, assessment date**".

Page 1, line 9, after "of", delete "a" and insert "**that**".

Page 1, line 14, delete "each" and insert "**the**".

Page 1, line 14, after "reassessment" insert "**of real property**".

Page 1, line 14, after "county" insert "**to be completed for the March 1, 2002, assessment date**".

Page 2, line 23, delete "under IC 6-1.1-15." and insert "**to the state board of tax commissioners. Except as provided in subsection (e), the procedures and time limitations that apply to an appeal to the state board of tax commissioners of a determination of the county property tax assessment board of appeals under IC 6-1.1-15 apply to an appeal under this subsection. A determination by the state board of tax commissioners of an appeal under this subsection is subject to appeal to the tax court under IC 6-1.1-15.**

**(e) In order to obtain a review by the state board of tax commissioners under subsection (d), the taxpayer must file a petition for review with the appropriate county assessor within forty-five (45) days after the notice of the state board of tax commissioners is given to the taxpayer under subsection (d).**

Page 2, line 24, delete "(e)" and insert "**(f)**".

Page 2, line 28, delete "(f)" and insert "**(g)**".

Page 2, between lines 30 and 31, begin a new paragraph and insert:

**"(h) The state board of tax commissioners may begin the process of selecting a contractor under this section before January 1, 2002, but may not execute a written contract until after that date."**

Page 4, line 3, delete "forty-two" and insert "**seventeen**".

Page 4, line 4, delete "\$42,000" and insert "**(\$17,000)**".

Page 4, line 19, delete "thirty-three" and insert "**eight**".

Page 4, line 20, delete "\$33,000" and insert "**(\$8,000)**".

Replace the effective dates in SECTIONS 2 through 17 with "[EFFECTIVE JANUARY 1, 2002]".

Page 17, delete line 6.

(Reference is to HB 1902 as printed February 22, 2001.)

STEVENSON

HB 1902—LS 7682/DI 94+



C  
O  
P  
Y

COMMITTEE REPORT

Mr. Speaker: Your Committee of One, to which was referred House Bill 1902, begs leave to report that said bill has been amended as directed.

STEVENSON

C  
o  
p  
y

