
HOUSE BILL No. 1248

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-6.9.

Synopsis: Farmland assessment. Allows a county executive to designate an area in which certain land may be classified and assessed as farm preservation land. Allows classification upon application to the township assessor and assessment thereafter at \$1 per acre. Requires payment to a county farmland preservation fund of the property tax benefit received over a period of up to ten years if the land is withdrawn from the classification.

Effective: January 1, 2002 (retroactive).

Cherry, Goodin

January 14, 2002, read first time and referred to Committee on Ways and Means.

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Second Regular Session 112th General Assembly (2002)

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 2001 General Assembly.

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HOUSE BILL No. 1248



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 6-1.1-6.9 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2002 (RETROACTIVE)]:

4 **Chapter 6.9. Assessment of Farm Preservation Land**

5 **Sec. 1. For purposes of property taxation, certain land may be**
6 **classified as farm preservation land and assessed as provided in**
7 **this chapter.**

8 **Sec. 2. A parcel of land or a part of a parcel of land may be**
9 **classified as farm preservation land if the parcel or part of a**
10 **parcel:**

- 11 **(1) is located in an area designated by the county executive in**
- 12 **an ordinance adopted under section 3 of this chapter;**
- 13 **(2) consists of at least ten (10) contiguous acres;**
- 14 **(3) is used for agricultural purposes;**
- 15 **(4) does not contain a dwelling or another usable building;**
- 16 **and**
- 17 **(5) is assessed as agricultural land under IC 6-1.1-4-13.**



1 **Sec. 3. (a)** The county executive may adopt an ordinance to
 2 authorize the assessment of land under this chapter in an area in
 3 the county designated in the ordinance.

4 **(b)** The county executive may designate in the ordinance
 5 adopted under subsection (a):

6 (1) the area of the county;

7 (2) the area of one (1) or more townships in the county;

8 (3) an area less than a specified distance from land owned by:

9 (A) the department of natural resources;

10 (B) the United States Forest Service; or

11 (C) the United States Fish and Wildlife Service; or

12 (4) an area that meets other criteria specified in the
 13 ordinance.

14 **Sec. 4. (a)** A person who wishes to have land classified as farm
 15 preservation land must file an application with the township
 16 assessor on forms prescribed by the department of local
 17 government finance.

18 **(b)** An application filed under subsection (a):

19 (1) must include a letter of concurrence in the classification
 20 from the soil and water conservation district in which the land
 21 is located; and

22 (2) is applicable for the assessment date of the year for which
 23 the application is filed and for the assessment dates of
 24 subsequent years until the land is withdrawn from the farm
 25 preservation land classification.

26 **(c)** If the township assessor discovers an error or omission
 27 affecting the eligibility of the application, the township assessor
 28 shall promptly notify the applicant of the deficiency and allow the
 29 applicant to amend the application.

30 **Sec. 5.** If in the opinion of the township assessor an application
 31 filed under section 4 of this chapter and the land for which
 32 classification is requested satisfy the requirements of this chapter,
 33 the township assessor shall:

34 (1) approve the application;

35 (2) notify the auditor and the assessor of the county in which
 36 the land is located that the application has been approved;
 37 and

38 (3) return one (1) approved application form to the applicant.

39 **Sec. 6.** If an application filed under section 4 of this chapter is
 40 approved, the applicant shall record the approved application in
 41 the applicant's name in the office of the recorder of the county in
 42 which the land is located. If the applicant is a partnership, a

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1 corporation, a limited liability company, or an association, the
 2 applicant shall record the approved application in the name of the
 3 partnership, corporation, limited liability company, or association.
 4 When an approved application is properly recorded, the county
 5 auditor shall enter the land for taxation at an assessed value
 6 determined under section 7 of this chapter.

7 Sec. 7. Land that is classified under this chapter as farm
 8 preservation land shall be assessed at one dollar (\$1) per acre for
 9 general property taxation purposes. However, ditch assessments on
 10 the classified land shall be paid.

11 Sec. 8. If any oil, gas, stone, coal, or other mineral is obtained
 12 from land that is classified as farm preservation land, the land
 13 shall immediately be assessed for the oil, gas, stone, coal, or other
 14 mineral wealth. The assessed value of the mineral wealth shall then
 15 be placed on the tax duplicate.

16 Sec. 9. The owner of land that is classified as farm preservation
 17 land is encouraged to:

- 18 (1) mark the land with at least four (4) signs; and
- 19 (2) place the signs on the boundaries of the land at the points
 20 that are the most conspicuous to the public.

21 Sec. 10. If the owner of land that is classified as farm
 22 preservation land wishes to have the land withdrawn from the
 23 classification, the owner shall file a withdrawal request in duplicate
 24 with the township assessor on forms prescribed by the department
 25 of local government finance. The township assessor shall withdraw
 26 the land from the classification on receipt of the withdrawal forms.

27 Sec. 11. The township assessor shall withdraw land that is
 28 classified as farm preservation land from the classification if the
 29 township assessor finds that the land no longer qualifies under
 30 sections 2 and 3 of this chapter. If the township assessor withdraws
 31 land under this section, the township assessor shall immediately
 32 notify the owner that the land has been withdrawn from the
 33 classification.

34 Sec. 12. If land classified as farm preservation land is
 35 withdrawn from the classification, the township assessor shall
 36 immediately notify the recorder, the assessor, and the auditor of
 37 the county in which the land is situated that the land has been
 38 withdrawn from the classification. In addition, when land is
 39 withdrawn from the classification, the owner of the land shall make
 40 a notation of the withdrawal in the records of the county recorder.

41 Sec. 13. (a) If land that is classified as farm preservation land is
 42 withdrawn from the classification, the owner shall pay an amount

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- 1 equal to the sum of:
- 2 (1) the total property taxes that, if it were not for the
- 3 classification, would have been assessed on the land during the
- 4 lesser of:
- 5 (A) the period of classification; or
- 6 (B) the ten (10) year period immediately preceding the date
- 7 on which the land is withdrawn from the classification;
- 8 plus
- 9 (2) interest on the property taxes at the rate of ten percent
- 10 (10%) per year.
- 11 (b) The county auditor shall establish the county farmland
- 12 preservation fund for receipt of amounts paid under subsection (a).
- 13 The county farmland preservation fund may be used by the county
- 14 only for farmland preservation activities.
- 15 (c) The liability imposed by this section is a lien upon the land
- 16 withdrawn from the classification. When the amount is collected,
- 17 the amount shall be paid into the county farmland preservation
- 18 fund. If the amount is not paid, the lien shall be treated in the same
- 19 manner that delinquent taxes on real property are treated.
- 20 Sec. 14. A conveyance of land that is classified as farm
- 21 preservation land does not release any person acquiring an interest
- 22 in the land from any obligation or liability imposed under this
- 23 chapter.
- 24 SECTION 2. [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]
- 25 (a) IC 6-1.1-6.9, as added by this act, applies to property taxes first
- 26 due and payable after December 31, 2002.
- 27 (b) This SECTION expires January 1, 2004.
- 28 SECTION 3. An emergency is declared for this act.

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