

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.

SENATE ENROLLED ACT No. 19

AN ACT to amend the Indiana Code concerning taxation.

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

SECTION 1. IC 6-1.1-10-16, AS AMENDED BY P.L.198-2001, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2000 (RETROACTIVE)]: Sec. 16. (a) All or part of a building is exempt from property taxation if it is owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes.

(b) A building is exempt from property taxation if it is owned, occupied, and used by a town, city, township, or county for educational, literary, scientific, fraternal, or charitable purposes.

(c) A tract of land, including the campus and athletic grounds of an educational institution, is exempt from property taxation if:

(1) a building ~~which that~~ is exempt under subsection (a) or (b) is situated on it; and

(2) the tract does not exceed:

(A) one hundred fifty (150) acres; ~~in the case of:~~

(i) ~~an educational institution;~~

(ii) ~~a tract that was exempt under this subsection on March 1, 1987;~~ or

(B) two hundred (200) acres in the case of a local association formed for the purpose of promoting 4-H programs. ~~or~~

~~(C) fifteen (15) acres in all other cases.~~

(d) A tract of land is exempt from property taxation if:

C
O
P
Y



- (1) it is purchased for the purpose of erecting a building ~~which~~ **that** is to be owned, occupied, and used in such a manner that the building will be exempt under subsection (a) or (b);
- (2) the tract does not exceed:
- (A) one hundred fifty (150) acres; ~~in the case of:~~
 - ~~(i) an educational institution;~~ or
 - ~~(ii) a tract that was exempt under this subsection on March 1, 1987;~~
 - (B) two hundred (200) acres in the case of a local association formed for the purpose of promoting 4-H programs; ~~or~~
 - ~~(C) fifteen (15) acres in all other cases;~~ and
- (3) not more than three (3) years after the property is purchased, and for each year after the three (3) year period, the owner demonstrates substantial progress towards the erection of the intended building and use of the tract for the exempt purpose. To establish that substantial progress is being made, the owner must prove the existence of factors such as the following:
- (A) Organization of and activity by a building committee or other oversight group.
 - (B) Completion and filing of building plans with the appropriate local government authority.
 - (C) Cash reserves dedicated to the project of a sufficient amount to lead a reasonable individual to believe the actual construction can and will begin within three (3) years.
 - (D) The breaking of ground and the beginning of actual construction.
 - (E) Any other factor that would lead a reasonable individual to believe that construction of the building is an active plan and that the building is capable of being completed within six (6) years considering the circumstances of the owner.
- (e) Personal property is exempt from property taxation if it is owned and used in such a manner that it would be exempt under subsection (a) or (b) if it were a building.
- (f) A hospital's property ~~which~~ **that** is exempt from property taxation under subsection (a), (b), or (e) shall remain exempt from property taxation even if the property is used in part to furnish goods or services to another hospital whose property qualifies for exemption under this section.
- (g) Property owned by a shared hospital services organization ~~which~~ **that** is exempt from federal income taxation under Section 501(c)(3) or 501(e) of the Internal Revenue Code is exempt from property taxation if it is owned, occupied, and used exclusively to furnish goods

C
O
P
Y



or services to a hospital whose property is exempt from property taxation under subsection (a), (b), or (e).

(h) This section does not exempt from property tax an office or a practice of a physician or group of physicians that is owned by a hospital licensed under IC 16-21-1 or other property that is not substantially related to or supportive of the inpatient facility of the hospital unless the office, practice, or other property:

- (1) provides or supports the provision of charity care (as defined in IC 16-18-2-52.5), including providing funds or other financial support for health care services for individuals who are indigent (as defined in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or
- (2) provides or supports the provision of community benefits (as defined in IC 16-21-9-1), including research, education, or government sponsored indigent health care (as defined in IC 16-21-9-2).

However, participation in the Medicaid or Medicare program alone does not entitle an office, practice, or other property described in this subsection to an exemption under this section.

(i) A tract of land or a tract of land plus all or part of a structure on the land is exempt from property taxation if:

- (1) the tract is acquired for the purpose of erecting, renovating, or improving a single family residential structure that is to be given away or sold:
 - (A) in a charitable manner;
 - (B) by a nonprofit organization; and
 - (C) to low income individuals who will:
 - (i) use the land as a family residence; and
 - (ii) not have an exemption for the land under this section;
- (2) the tract does not exceed three (3) acres;
- (3) the tract of land or the tract of land plus all or part of a structure on the land is not used for profit while exempt under this section; and
- (4) not more than three (3) years after the property is acquired for the purpose described in subdivision (1), and for each year after the three (3) year period, the owner demonstrates substantial progress towards the erection, renovation, or improvement of the intended structure. To establish that substantial progress is being made, the owner must prove the existence of factors such as the following:
 - (A) Organization of and activity by a building committee or other oversight group.
 - (B) Completion and filing of building plans with the

C
O
P
Y



appropriate local government authority.

(C) Cash reserves dedicated to the project of a sufficient amount to lead a reasonable individual to believe the actual construction can and will begin within six (6) years of the initial exemption received under this subsection.

(D) The breaking of ground and the beginning of actual construction.

(E) Any other factor that would lead a reasonable individual to believe that construction of the structure is an active plan and that the structure is capable of being:

(i) completed; and

(ii) transferred to a low income individual who does not receive an exemption under this section;

within six (6) years considering the circumstances of the owner.

(j) An exemption under subsection (i) terminates when the property is conveyed by the nonprofit organization to another owner. When the property is conveyed to another owner, the nonprofit organization receiving the exemption must file a certified statement with the auditor of the county, notifying the auditor of the change not later than sixty (60) days after the date of the conveyance. The county auditor shall immediately forward a copy of the certified statement to the county assessor. A nonprofit organization that fails to file the statement required by this subsection is liable for the amount of property taxes due on the property conveyed if it were not for the exemption allowed under this chapter.

(k) If property is granted an exemption in any year under subsection (i) and the owner:

(1) ceases to be eligible for the exemption under subsection (i)(4);

(2) fails to transfer the tangible property within six (6) years after the assessment date for which the exemption is initially granted;

or

(3) transfers the tangible property to a person who:

(A) is not a low income individual; or

(B) does not use the transferred property as a residence for at least one (1) year after the property is transferred;

the person receiving the exemption shall notify the county recorder and the county auditor of the county in which the property is located not later than sixty (60) days after the event described in subdivision (1), (2), or (3) occurs. The county auditor shall immediately inform the county assessor of a notification received under this subsection.

(l) If subsection (k)(1), (k)(2), or (k)(3) applies, the owner shall pay,

C
O
P
Y



not later than the date that the next installment of property taxes is due, an amount equal to the sum of the following:

- (1) The total property taxes that, if it were not for the exemption under subsection (i), would have been levied on the property in each year in which an exemption was allowed.
- (2) Interest on the property taxes at the rate of ten percent (10%) per year.

(m) The liability imposed by subsection (l) is a lien upon the property receiving the exemption under subsection (i). An amount collected under subsection (l) shall be collected as an excess levy. If the amount is not paid, it shall be collected in the same manner that delinquent taxes on real property are collected.

(n) Property referred to in this section shall be assessed to the extent required under IC 6-1.1-11-9.

SECTION 2. IC 6-1.1-10-21, AS AMENDED BY P.L.198-2001, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2000 (RETROACTIVE)]: Sec. 21. (a) The following tangible property is exempt from property taxation if it is owned by, or held in trust for the use of, a church or religious society:

- (1) A building ~~which that~~ is used for religious worship.
- ~~(2) Buildings that are used as parsonages.~~
- ~~(3)~~ **(2)** The pews and furniture contained within a building ~~which that~~ is used for religious worship.
- ~~(4)~~ **(3)** The tract of land not exceeding ~~fifteen (15)~~ **one hundred fifty (150)** acres, upon which a building ~~described in this section that is used for religious worship~~ is situated.

(b) The following tangible property is exempt from property taxation if it is owned by, or held in trust for the use of, a church or religious society:

- (1) A building that is used as a parsonage.**
- (2) The tract of land, not exceeding fifteen (15) acres, upon which a building that is used as a parsonage is situated.**

~~(b)~~ **(c)** To obtain an exemption for parsonages, a church or religious society must provide the county auditor with an affidavit at the time the church or religious society applies for the exemptions. The affidavit must state that:

- (1) all parsonages are being used to house one (1) of the church's or religious society's rabbis, priests, preachers, ministers, or pastors; and
- (2) none of the parsonages are being used to make a profit.

The affidavit shall be signed under oath by the church's or religious society's head rabbi, priest, preacher, minister, or pastor. The county

C
O
P
Y



auditor shall immediately forward a copy of the affidavit to the county assessor.

(e) (d) Property referred to in this section shall be assessed to the extent required under IC 6-1.1-11-9.

SECTION 3. IC 14-33-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2000 (RETROACTIVE)]: Sec.

4. (a) This section applies to the following tangible property owned by or held in trust for the use of a church or religious society:

- (1) A building that is used for religious worship.
- (2) A building that is used as a parsonage.
- (3) The pews and furniture contained within a building that is used for religious worship.
- (4) **The land, not exceeding one hundred fifty (150) acres, upon which a building that is used for religious worship is situated.**
- (5) The land not exceeding fifteen (15) acres, upon which a building ~~described in this section~~ **that is used as a parsonage** is situated.

(b) Property is exempt from the special benefits tax that may be imposed under:

- (1) IC 14-33-6-13 and section 1 of this chapter; or
- (2) IC 14-33-21-5;

to the extent that the special benefits tax revenue will be used for the construction or improvement of a water impoundment project, including a lake, pond, or dam.

(c) To obtain an exemption for a parsonage, a church or religious society must provide the county auditor with an affidavit at the time the church or religious society applies for the exemption. The affidavit must:

- (1) state:
 - (A) that all parsonages are being used to house one (1) of the church's or religious society's rabbis, priests, preachers, ministers, or pastors; and
 - (B) that none of the parsonages are being used to make a profit; and
- (2) be signed under oath or affirmation by the church's or religious society's head rabbi, priest, preacher, minister, pastor, or designee of the official church body.

SECTION 4. [EFFECTIVE UPON PASSAGE] (a) **Under IC 6-1.1-10-16, as amended by this act, a church or religious institution may file a claim with the county auditor for a refund for the payment of property taxes due and payable in 2001. The claim**

C
O
P
Y



shall be filed as set forth in IC 6-1.1-26-1, except that the claim shall be based upon the ground that the assessment of the property must be computed as set forth in IC 6-1.1-10-16, as amended by this act.

(b) Upon receiving a claim filed under this SECTION, the county auditor shall determine whether the claim is correct. If the county auditor determines that the claim is correct, the auditor shall, without an appropriation being required, issue a warrant to the claimant payable from the county general fund for the amount due the claimant under this SECTION.

(c) The amount of the refund shall equal the amount of the claim so allowed, plus interest at six percent (6%) from the date on which the taxes were paid or payable, whichever is later, to the date of the refund.

(d) This SECTION expires July 1, 2003.

SECTION 5. [EFFECTIVE MARCH 1, 2000 (RETROACTIVE)]

(a) Notwithstanding any other law, the following property is exempt from property taxation:

(1) A tract of land on which a building that is owned, occupied, or used by a:

(A) person for educational, literary, scientific, religious, or charitable purposes; or

(B) town, city, township, or county for educational, literary, scientific, fraternal, or charitable purposes.

(2) A tract of land that is purchased for the purpose of erecting a building that is to be owned, occupied, and used in such a manner that the building would be exempt under subdivision (1).

(3) Personal property that is owned and used in such a manner that it would be exempt under subdivision (1) if it were a building.

(4) A building that is used for religious worship.

(5) The tract of land on which a building that is used for religious worship is located.

(6) The pews and furniture contained within a building that is used for religious worship.

(7) A building that is used as a parsonage.

(8) The tract of land on which a building that is used as a parsonage is located.

(b) A person seeking an exemption under this SECTION shall comply with all applicable filing requirements under IC 6-1.1-10.

(c) This SECTION expires January 1, 2004.

C
O
P
Y



SECTION 6. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "committee" refers to the interim study committee on the assessment of property owned by educational, religious, and other nonprofit organizations.

(b) There is established the interim study committee on the assessment of property owned by educational, religious, and other nonprofit organizations. The committee shall study:

- (1) the assessment of property owned by educational, religious, and other nonprofit organizations; and**
- (2) the property tax exemptions provided to the organizations described in subdivision (1).**

(c) The committee shall operate under the policies governing study committees adopted by the legislative council.

(d) The committee shall consist of the following members:

- (1) The chairperson of the house ways and means committee.**
- (2) The chairperson of the senate finance committee.**
- (3) Three (3) members appointed by the speaker of the house of representatives from the membership of the ways and means committee, excluding the chairperson of the ways and means committee. Not more than two (2) members appointed under this subdivision may be of the same political party.**
- (4) Three (3) members appointed by the president pro tempore of the senate from the membership of the finance committee, excluding the chairperson of the finance committee. Not more than two (2) members appointed under this subdivision may be of the same political party.**

(e) The affirmative vote of a majority of the voting members appointed to the committee are required for the committee to take action on any measure, including final reports.

(f) Notwithstanding any other provision of this SECTION, the legislative council may assign the study required under this SECTION to any other interim study committee.

(g) This SECTION expires November 1, 2002.

SECTION 7. An emergency is declared for this act.

C
O
P
Y



President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Approved: _____

Governor of the State of Indiana

C
o
p
y

