
SENATE BILL No. 475

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-4-39; IC 6-1.1-7-2.

Synopsis: Property tax assessment of mobile homes. Requires the department of local government finance to adopt rules for the property tax valuation of a mobile home (other than a rental unit) using certain prescribed standards. Requires the use of the gross rent multiplier method for the valuation of a mobile home rental unit.

Effective: July 1, 2005.

Simpson

January 18, 2005, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session 114th General Assembly (2005)

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 2004 Regular Session of the General Assembly.

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SENATE BILL No. 475



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 6-1.1-4-39 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 39. (a) For assessment
 3 dates after February 28, 2005, except as provided in subsection (c), the
 4 true tax value of real property regularly used to rent or otherwise
 5 furnish residential accommodations for periods of thirty (30) days or
 6 more and that has more than four (4) rental units is the lowest valuation
 7 determined by applying each of the following appraisal approaches:
 8 (1) Cost approach that includes an estimated reproduction or
 9 replacement cost of buildings and land improvements as of the
 10 date of valuation together with estimates of the losses in value
 11 that have taken place due to wear and tear, design and plan, or
 12 neighborhood influences.
 13 (2) Sales comparison approach, using data for generally
 14 comparable property.
 15 (3) Income capitalization approach, using an applicable
 16 capitalization method and appropriate capitalization rates that are
 17 developed and used in computations that lead to an indication of



1 value commensurate with the risks for the subject property use.
 2 (b) The gross rent multiplier method is the preferred method of
 3 valuing:
 4 (1) real property that has at least one (1) and not more than four
 5 (4) rental units; and
 6 (2) mobile homes:
 7 (A) regularly used to rent or otherwise furnish residential
 8 accommodations for periods of at least thirty (30) days;
 9 and
 10 (B) assessed under IC 6-1.1-7.
 11 (c) A township assessor is not required to appraise real property
 12 referred to in subsection (a) using the three (3) appraisal approaches
 13 listed in subsection (a) if the township assessor and the taxpayer agree
 14 before notice of the assessment is given to the taxpayer under section
 15 22 of this chapter to the determination of the true tax value of the
 16 property by the assessor using one (1) of those appraisal approaches.
 17 (d) To carry out this section, the department of local government
 18 finance may adopt rules for assessors to use in gathering and
 19 processing information for the application of the income capitalization
 20 method and the gross rent multiplier method. A taxpayer must verify
 21 under penalties for perjury any information provided to the assessor for
 22 use in the application of either method.
 23 SECTION 2. IC 6-1.1-7-2 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The department
 25 of local government finance ~~may~~ shall adopt rules in order to provide
 26 a method for assessing mobile homes. ~~These~~
 27 (b) The rules adopted under subsection (a) must:
 28 (1) be consistent with this article, including the factors required
 29 under IC 6-1.1-31-7; and
 30 (2) with respect to a mobile home other than a mobile home
 31 referred to in IC 6-1.1-4-39(b)(2), provide for determination
 32 of the assessed value in an amount that is the least of:
 33 (A) subject to subsection (c), the value determined using:
 34 (i) the National Automobile Dealers Association Guide;
 35 or
 36 (ii) a similar valuation guide prescribed by the
 37 department of local government finance;
 38 (B) the value determined using the factor required under
 39 IC 6-1.1-31-7(b)(6); or
 40 (C) the value determined using any other valuation method
 41 prescribed by the department of local government finance.
 42 (c) The department of local government finance may provide in

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1 **the rules adopted under subsection (a) for adjustment of the values**
2 **referred to in subsection (b)(2)(A) to account for features of a**
3 **mobile home that are not considered in the determination of those**
4 **values.**

5 SECTION 3. [EFFECTIVE JULY 1, 2005] IC 6-1.1-4-39 and
6 IC 6-1.1-7-2, both as amended by this act, apply only to assessment
7 dates after December 31, 2005.

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