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**FISCAL IMPACT STATEMENT**

**LS 7061**

**BILL NUMBER: SB 592**

**NOTE PREPARED: Jan 9, 2013**

**BILL AMENDED:**

**SUBJECT:** Property Tax Exemptions.

**FIRST AUTHOR:** Sen. Broden

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill has the following provisions:

*Church:* This bill provides that in the case of a taxpayer that is a church that: (1) purchased real property in June 2007; (2) has used the real property for church purposes since purchasing the real property; and (3) filed a property tax exemption application for the real property in June 2007; the taxpayer is not required to pay any property taxes, penalties, or interest with respect to the property for the March 1, 2007, and March 1, 2008, assessment dates if the taxpayer demonstrates that the property would have qualified for an exemption if a property tax exemption application had been filed in a timely manner and the taxpayer had owned the real property on May 1, 2007.

*Nonprofit Corporation:* This bill provides that in the case of a taxpayer that is a nonprofit corporation that is the owner of real property: (1) that was owned, occupied, and used by the taxpayer or a predecessor taxpayer to provide youths with the opportunity to play supervised and organized baseball or softball during at least the 20 years preceding the March 1, 2003, and March 1, 2004, assessment dates; (2) for which a property tax liability was imposed for the March 1, 2003, and March 1, 2004, assessment dates; (3) that would have qualified for an exemption for the March 1, 2003, and March 1, 2004, assessment dates if a property tax exemption application had been filed in a timely manner; and (4) that was granted a property tax exemption for the March 1, 2005, assessment date; the taxpayer is not required to pay any property taxes, penalties, or interest with respect to the property for the March 1, 2003, and March 1, 2004, assessment dates if the taxpayer demonstrates that the real property would have qualified for an exemption if an exemption application had been filed in a timely manner.

**Effective Date:** January 1, 2003 (retroactive); January 1, 2007 (retroactive).

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Church:* Under this provision, owners of real property located at certain St Joseph County addresses would receive an exemption from property tax for taxes payable in 2008 and 2009 if:

- 1) The owner purchased the real property in June 2007, and has used the property for church purposes since that time;
- 2) The owner filed a property tax exemption application for the property in June 2007; and
- 3) The owner files an exemption application before September 1, 2013.

Under this provision, the exemption would apply retroactively and the 2008 and 2009 tax bills along with all penalties and interest would be cancelled.

One taxpayer has been identified as qualifying for an exemption under this provision. The taxes billed for 2008 and 2009 amount to approximately \$49,000. For 2008 and 2009, the local taxing units and school corporation located in the affected taxing district would forego receipt of their share of the amount due.

*Nonprofit Corporation:* Under this provision, owners of real property located at certain St Joseph County addresses would receive an exemption from property tax for taxes payable in 2004 and 2005 if:

- 1) The owner or previous owner used the real property for approximately 20 years prior to 2004 and 2005 to provide youths with the opportunity to play supervised and organized sports;
- 2) The owner would have qualified for the exemption if it had been timely filed;
- 3) The owner received an exemption for taxes due in 2006; and
- 4) The owner files an exemption application before September 1, 2013.

Under this provision, the exemption would apply retroactively and the 2004 and 2005 tax bills along with all penalties and interest, if any, would be cancelled.

One taxpayer has been identified as qualifying for an exemption under this provision. Due to data constraints, the taxes billed for 2004 and 2005 could not be verified at this time. However, for these years, the local taxing units and school corporation located in the affected taxing district would forego receipt of their share of the amount due.

**State Agencies Affected:**

**Local Agencies Affected:** Local Taxing Units in the affected district.

**Information Sources:** OFMA Property Tax Database.

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