

HOUSE BILL No. 1127

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-10-48.

Synopsis: Property tax exemption. Provides a property tax exemption effective January 1, 2017, for certain property owned by an Indiana nonprofit public benefit corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code if: (1) the property is used in the operation of a nonprofit health, fitness, aquatics, and community center; and (2) the acquisition and development of the property are provided in part under the regional cities initiative of the Indiana economic development corporation. Provides for a refund for any property taxes paid in 2018 and 2019.

Effective: July 1, 2019.

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January 7, 2019, read first time and referred to Committee on Ways and Means.



First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

HOUSE BILL No. 1127

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 6-1.1-10-48 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2019]: **Sec. 48. (a) This section applies to assessment dates**
4 **occurring after December 31, 2016.**
5 **(b) Tangible property is exempt from property taxation if:**
6 **(1) it is owned by an Indiana nonprofit public benefit**
7 **corporation exempt from taxation under Section 501(c)(3) of**
8 **the Internal Revenue Code;**
9 **(2) the property is used in the operation of a nonprofit health,**
10 **fitness, aquatics, and community center; and**
11 **(3) funds for the acquisition and development of the property**
12 **have been provided in part under the regional cities initiative**
13 **of the Indiana economic development corporation under**
14 **IC 5-28-38.**
15 **(c) The property that is exempt under this section also includes**
16 **any part of the property that is leased or licensed by the owner to**
17 **another nonprofit or municipal entity for use as a nonprofit health,**



1 fitness, aquatics, or community center and property used for
2 storage and parking.

3 (d) For purposes of this section, a tract of land and any
4 improvements on the land are exempt from taxation if not more
5 than four (4) years after the property is purchased, and for each
6 year after the four (4) year period, the owner demonstrates
7 substantial progress and active pursuit towards the use of the tract
8 of land and any improvements on the tract as a nonprofit health,
9 fitness, aquatics, and community center. To establish substantial
10 progress and active pursuit under this subsection, the owner must
11 prove the existence of factors such as the following:

12 (1) Organization of and activity by a building committee or
13 other oversight group.

14 (2) Completion and filing of building plans with the
15 appropriate local government authority.

16 (3) Cash reserves dedicated to the project of a sufficient
17 amount to lead a reasonable individual to believe actual
18 construction can and will begin within four (4) years.

19 (4) The breaking of ground and the beginning of actual
20 construction.

21 (5) Any other factor that would lead a reasonable individual
22 to believe that construction of the improvement is an active
23 plan and that the improvement is capable of being completed
24 within eight (8) years considering the circumstances of the
25 owner.

26 (e) To the extent the owner of property that is exempt from
27 taxation as provided in this section has paid any property taxes,
28 penalties, or interest with respect to the property for the 2017
29 assessment date through the 2018 assessment date, the owner of the
30 exempt property is entitled to a refund of the amounts paid on the
31 exempt property. Notwithstanding the filing deadlines for a claim
32 under IC 6-1.1-26, any claim for a refund filed by the owner of
33 exempt property under this subsection before September 1, 2019,
34 is considered timely filed. The county auditor shall pay the refund
35 due under this subsection in one (1) installment.

