

HOUSE BILL No. 1313

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12-37; IC 24-5-0.5-3; IC 32-29.5.

Synopsis: Real estate land contracts. Defines "principal dwelling land contract" (contract) as a land contract for the sale of real property: (1) designed for the occupancy of one to two families; and (2) that is or will be occupied by the buyer as the buyer's principal dwelling. Provides that a buyer who has completed the buyer's obligations under the contract is entitled to the homestead deduction regardless of whether the seller has conveyed title. Provides that the seller under a contract must provide the buyer with certain information concerning any liens that encumber the property 10 days before the contract is executed. Sets forth disclosures that must be included in a contract. Requires all preexisting liens on the property to be satisfied by the seller by the end of the contract term. Provides that a contract must permit a buyer to pay the balance owed and receive the deed at any time. Prohibits prepayment penalties or additional charges for an early payoff. Provides a three day cancellation period for both the buyer and seller. Allows the seller and the buyer to transfer their respective interests in the contract to other parties, subject to certain conditions. Requires the seller to provide the buyer with an annual statement of account. Sets forth certain rights and responsibilities of the parties upon default by either the buyer or the seller. Sets forth acts and omissions constituting violations and establishes remedies for these violations. Provides that a violation of these provisions constitutes an incurable deceptive act that is actionable by the attorney general under the deceptive consumer sales act. Authorizes the attorney general, in consultation with the department of financial institutions, to adopt rules to implement these provisions. Requires that the executed contract or a memorandum of land contract be notarized.

Effective: Upon passage.

Moed

January 10, 2024, read first time and referred to Committee on Judiciary.



Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

HOUSE BILL No. 1313

A BILL FOR AN ACT to amend the Indiana Code concerning property.

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

1 SECTION 1. IC 6-1.1-12-37, AS AMENDED BY P.L.236-2023,
2 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 37. (a) The following definitions apply
4 throughout this section:
5 (1) "Dwelling" means any of the following:
6 (A) Residential real property improvements that an individual
7 uses as the individual's residence, limited to a single house and
8 a single garage, regardless of whether the single garage is
9 attached to the single house or detached from the single house.
10 (B) A mobile home that is not assessed as real property that an
11 individual uses as the individual's residence.
12 (C) A manufactured home that is not assessed as real property
13 that an individual uses as the individual's residence.
14 (2) "Homestead" means an individual's principal place of
15 residence:
16 (A) that is located in Indiana;
17 (B) that:



- 1 (i) the individual owns;
- 2 (ii) the individual is buying under a contract recorded in the
- 3 county recorder's office, or evidenced by a memorandum of
- 4 contract recorded in the county recorder's office under
- 5 IC 36-2-11-20, that provides that the individual is to pay the
- 6 property taxes on the residence, and that obligates the owner
- 7 to convey title to the individual upon completion of all of the
- 8 individual's contract obligations;
- 9 (iii) the individual is entitled to occupy as a
- 10 tenant-stockholder (as defined in 26 U.S.C. 216) of a
- 11 cooperative housing corporation (as defined in 26 U.S.C.
- 12 216); or
- 13 (iv) is a residence described in section 17.9 of this chapter
- 14 that is owned by a trust if the individual is an individual
- 15 described in section 17.9 of this chapter; and
- 16 (C) that consists of a dwelling and includes up to one (1) acre
- 17 of land immediately surrounding that dwelling, and any of the
- 18 following improvements:
- 19 (i) Any number of decks, patios, gazebos, or pools.
- 20 (ii) One (1) additional building that is not part of the
- 21 dwelling if the building is predominantly used for a
- 22 residential purpose and is not used as an investment property
- 23 or as a rental property.
- 24 (iii) One (1) additional residential yard structure other than
- 25 a deck, patio, gazebo, or pool.
- 26 **For purposes of clause (B)(ii), the term includes the principal**
- 27 **residence of an individual who has completed all of the**
- 28 **individual's obligations under a principal dwelling land**
- 29 **contract (as defined in IC 32-29.5-2-3), regardless of whether**
- 30 **or not the seller has conveyed the title.** The term does not
- 31 include property owned by a corporation, partnership, limited
- 32 liability company, or other entity not described in this
- 33 subdivision.
- 34 (b) Each year a homestead is eligible for a standard deduction from
- 35 the assessed value of the homestead for an assessment date. Except as
- 36 provided in subsection (m), the deduction provided by this section
- 37 applies to property taxes first due and payable for an assessment date
- 38 only if an individual has an interest in the homestead described in
- 39 subsection (a)(2)(B) on:
- 40 (1) the assessment date; or
- 41 (2) any date in the same year after an assessment date that a
- 42 statement is filed under subsection (e) or section 44 of this



1 chapter, if the property consists of real property.
 2 If more than one (1) individual or entity qualifies property as a
 3 homestead under subsection (a)(2)(B) for an assessment date, only one
 4 (1) standard deduction from the assessed value of the homestead may
 5 be applied for the assessment date. Subject to subsection (c), the
 6 auditor of the county shall record and make the deduction for the
 7 individual or entity qualifying for the deduction.

8 (c) Except as provided in section 40.5 of this chapter, the total
 9 amount of the deduction that a person may receive under this section
 10 for a particular year is the lesser of:

11 (1) sixty percent (60%) of the assessed value of the real property,
 12 mobile home not assessed as real property, or manufactured home
 13 not assessed as real property; or

14 (2) for assessment dates:

15 (A) before January 1, 2023, forty-five thousand dollars
 16 (\$45,000); or

17 (B) after December 31, 2022, forty-eight thousand dollars
 18 (\$48,000).

19 (d) A person who has sold real property, a mobile home not assessed
 20 as real property, or a manufactured home not assessed as real property
 21 to another person under a contract that provides that the contract buyer
 22 is to pay the property taxes on the real property, mobile home, or
 23 manufactured home may not claim the deduction provided under this
 24 section with respect to that real property, mobile home, or
 25 manufactured home.

26 (e) Except as provided in sections 17.8 and 44 of this chapter and
 27 subject to section 45 of this chapter, an individual who desires to claim
 28 the deduction provided by this section must file a certified statement on
 29 forms prescribed by the department of local government finance, with
 30 the auditor of the county in which the homestead is located. The
 31 statement must include:

32 (1) the parcel number or key number of the property and the name
 33 of the city, town, or township in which the property is located;

34 (2) the name of any other location in which the applicant or the
 35 applicant's spouse owns, is buying, or has a beneficial interest in
 36 residential real property;

37 (3) the names of:

38 (A) the applicant and the applicant's spouse (if any):

39 (i) as the names appear in the records of the United States
 40 Social Security Administration for the purposes of the
 41 issuance of a Social Security card and Social Security
 42 number; or



- 1 (ii) that they use as their legal names when they sign their
 2 names on legal documents;
 3 if the applicant is an individual; or
 4 (B) each individual who qualifies property as a homestead
 5 under subsection (a)(2)(B) and the individual's spouse (if any):
 6 (i) as the names appear in the records of the United States
 7 Social Security Administration for the purposes of the
 8 issuance of a Social Security card and Social Security
 9 number; or
 10 (ii) that they use as their legal names when they sign their
 11 names on legal documents;
 12 if the applicant is not an individual; and
 13 (4) either:
 14 (A) the last five (5) digits of the applicant's Social Security
 15 number and the last five (5) digits of the Social Security
 16 number of the applicant's spouse (if any); or
 17 (B) if the applicant or the applicant's spouse (if any) does not
 18 have a Social Security number, any of the following for that
 19 individual:
 20 (i) The last five (5) digits of the individual's driver's license
 21 number.
 22 (ii) The last five (5) digits of the individual's state
 23 identification card number.
 24 (iii) The last five (5) digits of a preparer tax identification
 25 number that is obtained by the individual through the
 26 Internal Revenue Service of the United States.
 27 (iv) If the individual does not have a driver's license, a state
 28 identification card, or an Internal Revenue Service preparer
 29 tax identification number, the last five (5) digits of a control
 30 number that is on a document issued to the individual by the
 31 United States government.

32 If a form or statement provided to the county auditor under this section,
 33 IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or
 34 part or all of the Social Security number of a party or other number
 35 described in subdivision (4)(B) of a party, the telephone number and
 36 the Social Security number or other number described in subdivision
 37 (4)(B) included are confidential. The statement may be filed in person
 38 or by mail. If the statement is mailed, the mailing must be postmarked
 39 on or before the last day for filing. The statement applies for that first
 40 year and any succeeding year for which the deduction is allowed. To
 41 obtain the deduction for a desired calendar year in which property taxes
 42 are first due and payable, the statement must be completed and dated



1 in the immediately preceding calendar year and filed with the county
 2 auditor on or before January 5 of the calendar year in which the
 3 property taxes are first due and payable.

4 (f) Except as provided in subsection (k), if a person who is
 5 receiving, or seeks to receive, the deduction provided by this section in
 6 the person's name:

7 (1) changes the use of the individual's property so that part or all
 8 of the property no longer qualifies for the deduction under this
 9 section; or

10 (2) is not eligible for a deduction under this section because the
 11 person is already receiving:

12 (A) a deduction under this section in the person's name as an
 13 individual or a spouse; or

14 (B) a deduction under the law of another state that is
 15 equivalent to the deduction provided by this section;

16 the person must file a certified statement with the auditor of the county,
 17 notifying the auditor of the person's ineligibility, not more than sixty
 18 (60) days after the date of the change in eligibility. A person who fails
 19 to file the statement required by this subsection may, under
 20 IC 6-1.1-36-17, be liable for any additional taxes that would have been
 21 due on the property if the person had filed the statement as required by
 22 this subsection plus a civil penalty equal to ten percent (10%) of the
 23 additional taxes due. The civil penalty imposed under this subsection
 24 is in addition to any interest and penalties for a delinquent payment that
 25 might otherwise be due. One percent (1%) of the total civil penalty
 26 collected under this subsection shall be transferred by the county to the
 27 department of local government finance for use by the department in
 28 establishing and maintaining the homestead property data base under
 29 subsection (i) and, to the extent there is money remaining, for any other
 30 purposes of the department. This amount becomes part of the property
 31 tax liability for purposes of this article.

32 (g) The department of local government finance may adopt rules or
 33 guidelines concerning the application for a deduction under this
 34 section.

35 (h) This subsection does not apply to property in the first year for
 36 which a deduction is claimed under this section if the sole reason that
 37 a deduction is claimed on other property is that the individual or
 38 married couple maintained a principal residence at the other property
 39 on the assessment date in the same year in which an application for a
 40 deduction is filed under this section or, if the application is for a
 41 homestead that is assessed as personal property, on the assessment date
 42 in the immediately preceding year and the individual or married couple



1 is moving the individual's or married couple's principal residence to the
2 property that is the subject of the application. Except as provided in
3 subsection (k), the county auditor may not grant an individual or a
4 married couple a deduction under this section if:

5 (1) the individual or married couple, for the same year, claims the
6 deduction on two (2) or more different applications for the
7 deduction; and

8 (2) the applications claim the deduction for different property.

9 (i) The department of local government finance shall provide secure
10 access to county auditors to a homestead property data base that
11 includes access to the homestead owner's name and the numbers
12 required from the homestead owner under subsection (e)(4) for the sole
13 purpose of verifying whether an owner is wrongly claiming a deduction
14 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or
15 IC 6-3.6-5 (after December 31, 2016). Each county auditor shall submit
16 data on deductions applicable to the current tax year on or before
17 March 15 of each year in a manner prescribed by the department of
18 local government finance.

19 (j) A county auditor may require an individual to provide evidence
20 proving that the individual's residence is the individual's principal place
21 of residence as claimed in the certified statement filed under subsection
22 (e). The county auditor may limit the evidence that an individual is
23 required to submit to a state income tax return, a valid driver's license,
24 or a valid voter registration card showing that the residence for which
25 the deduction is claimed is the individual's principal place of residence.
26 The county auditor may not deny an application filed under section 44
27 of this chapter because the applicant does not have a valid driver's
28 license or state identification card with the address of the homestead
29 property. The department of local government finance shall work with
30 county auditors to develop procedures to determine whether a property
31 owner that is claiming a standard deduction or homestead credit is not
32 eligible for the standard deduction or homestead credit because the
33 property owner's principal place of residence is outside Indiana.

34 (k) A county auditor shall grant an individual a deduction under this
35 section regardless of whether the individual and the individual's spouse
36 claim a deduction on two (2) different applications and each
37 application claims a deduction for different property if the property
38 owned by the individual's spouse is located outside Indiana and the
39 individual files an affidavit with the county auditor containing the
40 following information:

41 (1) The names of the county and state in which the individual's
42 spouse claims a deduction substantially similar to the deduction



- 1 allowed by this section.
- 2 (2) A statement made under penalty of perjury that the following
- 3 are true:
- 4 (A) That the individual and the individual's spouse maintain
- 5 separate principal places of residence.
- 6 (B) That neither the individual nor the individual's spouse has
- 7 an ownership interest in the other's principal place of
- 8 residence.
- 9 (C) That neither the individual nor the individual's spouse has,
- 10 for that same year, claimed a standard or substantially similar
- 11 deduction for any property other than the property maintained
- 12 as a principal place of residence by the respective individuals.
- 13 A county auditor may require an individual or an individual's spouse to
- 14 provide evidence of the accuracy of the information contained in an
- 15 affidavit submitted under this subsection. The evidence required of the
- 16 individual or the individual's spouse may include state income tax
- 17 returns, excise tax payment information, property tax payment
- 18 information, driver license information, and voter registration
- 19 information.
- 20 (l) If:
- 21 (1) a property owner files a statement under subsection (e) to
- 22 claim the deduction provided by this section for a particular
- 23 property; and
- 24 (2) the county auditor receiving the filed statement determines
- 25 that the property owner's property is not eligible for the deduction;
- 26 the county auditor shall inform the property owner of the county
- 27 auditor's determination in writing. If a property owner's property is not
- 28 eligible for the deduction because the county auditor has determined
- 29 that the property is not the property owner's principal place of
- 30 residence, the property owner may appeal the county auditor's
- 31 determination as provided in IC 6-1.1-15. The county auditor shall
- 32 inform the property owner of the owner's right to appeal when the
- 33 county auditor informs the property owner of the county auditor's
- 34 determination under this subsection.
- 35 (m) An individual is entitled to the deduction under this section for
- 36 a homestead for a particular assessment date if:
- 37 (1) either:
- 38 (A) the individual's interest in the homestead as described in
- 39 subsection (a)(2)(B) is conveyed to the individual after the
- 40 assessment date, but within the calendar year in which the
- 41 assessment date occurs; or
- 42 (B) the individual contracts to purchase the homestead after



- 1 the assessment date, but within the calendar year in which the
 2 assessment date occurs;
 3 (2) on the assessment date:
 4 (A) the property on which the homestead is currently located
 5 was vacant land; or
 6 (B) the construction of the dwelling that constitutes the
 7 homestead was not completed; and
 8 (3) either:
 9 (A) the individual files the certified statement required by
 10 subsection (e); or
 11 (B) a sales disclosure form that meets the requirements of
 12 section 44 of this chapter is submitted to the county assessor
 13 on or before December 31 of the calendar year for the
 14 individual's purchase of the homestead.

15 An individual who satisfies the requirements of subdivisions (1)
 16 through (3) is entitled to the deduction under this section for the
 17 homestead for the assessment date, even if on the assessment date the
 18 property on which the homestead is currently located was vacant land
 19 or the construction of the dwelling that constitutes the homestead was
 20 not completed. The county auditor shall apply the deduction for the
 21 assessment date and for the assessment date in any later year in which
 22 the homestead remains eligible for the deduction. A homestead that
 23 qualifies for the deduction under this section as provided in this
 24 subsection is considered a homestead for purposes of section 37.5 of
 25 this chapter and IC 6-1.1-20.6.

26 (n) This subsection applies to an application for the deduction
 27 provided by this section that is filed for an assessment date occurring
 28 after December 31, 2013. Notwithstanding any other provision of this
 29 section, an individual buying a mobile home that is not assessed as real
 30 property or a manufactured home that is not assessed as real property
 31 under a contract providing that the individual is to pay the property
 32 taxes on the mobile home or manufactured home is not entitled to the
 33 deduction provided by this section unless the parties to the contract
 34 comply with IC 9-17-6-17.

- 35 (o) This subsection:
 36 (1) applies to an application for the deduction provided by this
 37 section that is filed for an assessment date occurring after
 38 December 31, 2013; and
 39 (2) does not apply to an individual described in subsection (n).

40 The owner of a mobile home that is not assessed as real property or a
 41 manufactured home that is not assessed as real property must attach a
 42 copy of the owner's title to the mobile home or manufactured home to



1 the application for the deduction provided by this section.

2 (p) For assessment dates after 2013, the term "homestead" includes
3 property that is owned by an individual who:

4 (1) is serving on active duty in any branch of the armed forces of
5 the United States;

6 (2) was ordered to transfer to a location outside Indiana; and

7 (3) was otherwise eligible, without regard to this subsection, for
8 the deduction under this section for the property for the
9 assessment date immediately preceding the transfer date specified
10 in the order described in subdivision (2).

11 For property to qualify under this subsection for the deduction provided
12 by this section, the individual described in subdivisions (1) through (3)
13 must submit to the county auditor a copy of the individual's transfer
14 orders or other information sufficient to show that the individual was
15 ordered to transfer to a location outside Indiana. The property continues
16 to qualify for the deduction provided by this section until the individual
17 ceases to be on active duty, the property is sold, or the individual's
18 ownership interest is otherwise terminated, whichever occurs first.
19 Notwithstanding subsection (a)(2), the property remains a homestead
20 regardless of whether the property continues to be the individual's
21 principal place of residence after the individual transfers to a location
22 outside Indiana. The property continues to qualify as a homestead
23 under this subsection if the property is leased while the individual is
24 away from Indiana and is serving on active duty, if the individual has
25 lived at the property at any time during the past ten (10) years.
26 Otherwise, the property ceases to qualify as a homestead under this
27 subsection if the property is leased while the individual is away from
28 Indiana. Property that qualifies as a homestead under this subsection
29 shall also be construed as a homestead for purposes of section 37.5 of
30 this chapter.

31 SECTION 2. IC 24-5-0.5-3, AS AMENDED BY P.L.34-2022,
32 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 UPON PASSAGE]: Sec. 3. (a) A supplier may not commit an unfair,
34 abusive, or deceptive act, omission, or practice in connection with a
35 consumer transaction. Such an act, omission, or practice by a supplier
36 is a violation of this chapter whether it occurs before, during, or after
37 the transaction. An act, omission, or practice prohibited by this section
38 includes both implicit and explicit misrepresentations.

39 (b) Without limiting the scope of subsection (a), the following acts,
40 and the following representations as to the subject matter of a
41 consumer transaction, made orally, in writing, or by electronic
42 communication, by a supplier, are deceptive acts:



- 1 (1) That such subject of a consumer transaction has sponsorship,
2 approval, performance, characteristics, accessories, uses, or
3 benefits it does not have which the supplier knows or should
4 reasonably know it does not have.
- 5 (2) That such subject of a consumer transaction is of a particular
6 standard, quality, grade, style, or model, if it is not and if the
7 supplier knows or should reasonably know that it is not.
- 8 (3) That such subject of a consumer transaction is new or unused,
9 if it is not and if the supplier knows or should reasonably know
10 that it is not.
- 11 (4) That such subject of a consumer transaction will be supplied
12 to the public in greater quantity than the supplier intends or
13 reasonably expects.
- 14 (5) That replacement or repair constituting the subject of a
15 consumer transaction is needed, if it is not and if the supplier
16 knows or should reasonably know that it is not.
- 17 (6) That a specific price advantage exists as to such subject of a
18 consumer transaction, if it does not and if the supplier knows or
19 should reasonably know that it does not.
- 20 (7) That the supplier has a sponsorship, approval, or affiliation in
21 such consumer transaction the supplier does not have, and which
22 the supplier knows or should reasonably know that the supplier
23 does not have.
- 24 (8) That such consumer transaction involves or does not involve
25 a warranty, a disclaimer of warranties, or other rights, remedies,
26 or obligations, if the representation is false and if the supplier
27 knows or should reasonably know that the representation is false.
- 28 (9) That the consumer will receive a rebate, discount, or other
29 benefit as an inducement for entering into a sale or lease in return
30 for giving the supplier the names of prospective consumers or
31 otherwise helping the supplier to enter into other consumer
32 transactions, if earning the benefit, rebate, or discount is
33 contingent upon the occurrence of an event subsequent to the time
34 the consumer agrees to the purchase or lease.
- 35 (10) That the supplier is able to deliver or complete the subject of
36 the consumer transaction within a stated period of time, when the
37 supplier knows or should reasonably know the supplier could not.
38 If no time period has been stated by the supplier, there is a
39 presumption that the supplier has represented that the supplier
40 will deliver or complete the subject of the consumer transaction
41 within a reasonable time, according to the course of dealing or the
42 usage of the trade.



- 1 (11) That the consumer will be able to purchase the subject of the
 2 consumer transaction as advertised by the supplier, if the supplier
 3 does not intend to sell it.
- 4 (12) That the replacement or repair constituting the subject of a
 5 consumer transaction can be made by the supplier for the estimate
 6 the supplier gives a customer for the replacement or repair, if the
 7 specified work is completed and:
- 8 (A) the cost exceeds the estimate by an amount equal to or
 9 greater than ten percent (10%) of the estimate;
- 10 (B) the supplier did not obtain written permission from the
 11 customer to authorize the supplier to complete the work even
 12 if the cost would exceed the amounts specified in clause (A);
- 13 (C) the total cost for services and parts for a single transaction
 14 is more than seven hundred fifty dollars (\$750); and
- 15 (D) the supplier knew or reasonably should have known that
 16 the cost would exceed the estimate in the amounts specified in
 17 clause (A).
- 18 (13) That the replacement or repair constituting the subject of a
 19 consumer transaction is needed, and that the supplier disposes of
 20 the part repaired or replaced earlier than seventy-two (72) hours
 21 after both:
- 22 (A) the customer has been notified that the work has been
 23 completed; and
- 24 (B) the part repaired or replaced has been made available for
 25 examination upon the request of the customer.
- 26 (14) Engaging in the replacement or repair of the subject of a
 27 consumer transaction if the consumer has not authorized the
 28 replacement or repair, and if the supplier knows or should
 29 reasonably know that it is not authorized.
- 30 (15) The act of misrepresenting the geographic location of the
 31 supplier by listing an alternate business name or an assumed
 32 business name (as described in IC 23-0.5-3-4) in a local telephone
 33 directory if:
- 34 (A) the name misrepresents the supplier's geographic location;
- 35 (B) the listing fails to identify the locality and state of the
 36 supplier's business;
- 37 (C) calls to the local telephone number are routinely forwarded
 38 or otherwise transferred to a supplier's business location that
 39 is outside the calling area covered by the local telephone
 40 directory; and
- 41 (D) the supplier's business location is located in a county that
 42 is not contiguous to a county in the calling area covered by the



- 1 local telephone directory.
- 2 (16) The act of listing an alternate business name or assumed
3 business name (as described in IC 23-0.5-3-4) in a directory
4 assistance data base if:
- 5 (A) the name misrepresents the supplier's geographic location;
6 (B) calls to the local telephone number are routinely forwarded
7 or otherwise transferred to a supplier's business location that
8 is outside the local calling area; and
9 (C) the supplier's business location is located in a county that
10 is not contiguous to a county in the local calling area.
- 11 (17) The violation by a supplier of IC 24-3-4 concerning
12 cigarettes for import or export.
- 13 (18) The act of a supplier in knowingly selling or reselling a
14 product to a consumer if the product has been recalled, whether
15 by the order of a court or a regulatory body, or voluntarily by the
16 manufacturer, distributor, or retailer, unless the product has been
17 repaired or modified to correct the defect that was the subject of
18 the recall.
- 19 (19) The violation by a supplier of 47 U.S.C. 227, including any
20 rules or regulations issued under 47 U.S.C. 227.
- 21 (20) The violation by a supplier of the federal Fair Debt
22 Collection Practices Act (15 U.S.C. 1692 et seq.), including any
23 rules or regulations issued under the federal Fair Debt Collection
24 Practices Act (15 U.S.C. 1692 et seq.).
- 25 (21) A violation of IC 24-5-7 (concerning health spa services), as
26 set forth in IC 24-5-7-17.
- 27 (22) A violation of IC 24-5-8 (concerning business opportunity
28 transactions), as set forth in IC 24-5-8-20.
- 29 (23) A violation of IC 24-5-10 (concerning home consumer
30 transactions), as set forth in IC 24-5-10-18.
- 31 (24) A violation of IC 24-5-11 (concerning real property
32 improvement contracts), as set forth in IC 24-5-11-14.
- 33 (25) A violation of IC 24-5-12 (concerning telephone
34 solicitations), as set forth in IC 24-5-12-23.
- 35 (26) A violation of IC 24-5-13.5 (concerning buyback motor
36 vehicles), as set forth in IC 24-5-13.5-14.
- 37 (27) A violation of IC 24-5-14 (concerning automatic
38 dialing-announcing devices), as set forth in IC 24-5-14-13.
- 39 (28) A violation of IC 24-5-15 (concerning credit services
40 organizations), as set forth in IC 24-5-15-11.
- 41 (29) A violation of IC 24-5-16 (concerning unlawful motor
42 vehicle subleasing), as set forth in IC 24-5-16-18.



- 1 (30) A violation of IC 24-5-17 (concerning environmental
2 marketing claims), as set forth in IC 24-5-17-14.
- 3 (31) A violation of IC 24-5-19 (concerning deceptive commercial
4 solicitation), as set forth in IC 24-5-19-11.
- 5 (32) A violation of IC 24-5-21 (concerning prescription drug
6 discount cards), as set forth in IC 24-5-21-7.
- 7 (33) A violation of IC 24-5-23.5-7 (concerning real estate
8 appraisals), as set forth in IC 24-5-23.5-9.
- 9 (34) A violation of IC 24-5-26 (concerning identity theft), as set
10 forth in IC 24-5-26-3.
- 11 (35) A violation of IC 24-5.5 (concerning mortgage rescue fraud),
12 as set forth in IC 24-5.5-6-1.
- 13 (36) A violation of IC 24-8 (concerning promotional gifts and
14 contests), as set forth in IC 24-8-6-3.
- 15 (37) A violation of IC 21-18.5-6 (concerning representations
16 made by a postsecondary credit bearing proprietary educational
17 institution), as set forth in IC 21-18.5-6-22.5.
- 18 (38) A violation of IC 24-5-15.5 (concerning collection actions of
19 a plaintiff debt buyer), as set forth in IC 24-5-15.5-6.
- 20 (39) A violation of IC 24-14 (concerning towing services), as set
21 forth in IC 24-14-10-1.
- 22 (40) A violation of IC 24-5-14.5 (concerning misleading or
23 inaccurate caller identification information), as set forth in
24 IC 24-5-14.5-12.
- 25 (41) A violation of IC 24-5-27 (concerning intrastate inmate
26 calling services), as set forth in IC 24-5-27-27.
- 27 **(42) A violation of IC 32-29.5 (concerning principal dwelling**
28 **land contracts), as set forth in IC 32-29.5-6-4.**
- 29 (c) Any representations on or within a product or its packaging or
30 in advertising or promotional materials which would constitute a
31 deceptive act shall be the deceptive act both of the supplier who places
32 such representation thereon or therein, or who authored such materials,
33 and such other suppliers who shall state orally or in writing that such
34 representation is true if such other supplier shall know or have reason
35 to know that such representation was false.
- 36 (d) If a supplier shows by a preponderance of the evidence that an
37 act resulted from a bona fide error notwithstanding the maintenance of
38 procedures reasonably adopted to avoid the error, such act shall not be
39 deceptive within the meaning of this chapter.
- 40 (e) It shall be a defense to any action brought under this chapter that
41 the representation constituting an alleged deceptive act was one made
42 in good faith by the supplier without knowledge of its falsity and in



1 reliance upon the oral or written representations of the manufacturer,
2 the person from whom the supplier acquired the product, any testing
3 organization, or any other person provided that the source thereof is
4 disclosed to the consumer.

5 (f) For purposes of subsection (b)(12), a supplier that provides
6 estimates before performing repair or replacement work for a customer
7 shall give the customer a written estimate itemizing as closely as
8 possible the price for labor and parts necessary for the specific job
9 before commencing the work.

10 (g) For purposes of subsection (b)(15) and (b)(16), a telephone
11 company or other provider of a telephone directory or directory
12 assistance service or its officer or agent is immune from liability for
13 publishing the listing of an alternate business name or assumed
14 business name of a supplier in its directory or directory assistance data
15 base unless the telephone company or other provider of a telephone
16 directory or directory assistance service is the same person as the
17 supplier who has committed the deceptive act.

18 (h) For purposes of subsection (b)(18), it is an affirmative defense
19 to any action brought under this chapter that the product has been
20 altered by a person other than the defendant to render the product
21 completely incapable of serving its original purpose.

22 SECTION 3. IC 32-29.5 IS ADDED TO THE INDIANA CODE AS
23 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON
24 PASSAGE]:

25 **ARTICLE 29.5. PRINCIPAL DWELLING LAND**
26 **CONTRACTS**

27 **Chapter 1. Application**

28 **Sec. 1. This article applies only to a principal dwelling land**
29 **contract entered into after June 30, 2024.**

30 **Sec. 2. This article applies to a seller who sells real property**
31 **under a principal dwelling land contract.**

32 **Sec. 3. This article does not apply to the following:**

33 **(1) A depository institution regulated by a state or federal**
34 **agency, and subsidiaries owned and controlled by the**
35 **depository institution.**

36 **(2) A first lien mortgage lender licensed under IC 24-4.4, and**
37 **subsidiaries owned and controlled by the first lien mortgage**
38 **lender.**

39 **(3) Transactions between family members.**

40 **Chapter 2. Definitions**

41 **Sec. 1. The definitions set forth in this chapter apply throughout**
42 **this article.**



1 **Sec. 2. "Land contract" has the meaning set forth in**
 2 **IC 24-4.4-1-301(36).**

3 **Sec. 3. (a) "Principal dwelling land contract" means a land**
 4 **contract for the sale of real property:**

5 **(1) designed primarily for the occupancy of one (1) to two (2)**
 6 **families; and**

7 **(2) that is or will be occupied by a buyer as the buyer's**
 8 **principal dwelling.**

9 **(b) The term does not include a land contract for the sale of:**

10 **(1) more than ten (10) acres of land; or**

11 **(2) vacant land.**

12 **Chapter 3. Principal Dwelling Land Contracts and Disclosures**

13 **Sec. 1. (a) At least ten (10) days before a principal dwelling land**
 14 **contract is executed by the parties, the seller shall provide the**
 15 **buyer with a complete record of any liens encumbering the**
 16 **property, including any property tax liens or special assessment**
 17 **liens.**

18 **(b) The principal dwelling land contract must include the date**
 19 **that the record of any liens was provided to the buyer, as required**
 20 **under subsection (a).**

21 **Sec. 2. A principal dwelling land contract must include the**
 22 **following information:**

23 **(1) If the real property is encumbered by one (1) or more**
 24 **liens, a statement of the amount of the liens and an agreement**
 25 **by the seller that the seller shall use a specified portion of**
 26 **funds received from the buyer under the contract to satisfy**
 27 **the liens.**

28 **(2) The sale price, address, and legal description of the**
 29 **residential real estate that is the subject of the contract.**

30 **(3) A statement of the amount of any down payment or**
 31 **purchase option fee applied to the purchase price, including**
 32 **the resulting principal amount remaining to be paid by the**
 33 **buyer for the remainder of the contract.**

34 **(4) The term of the contract expressed in years and months,**
 35 **and the total number of periodic payments due under the**
 36 **contract.**

37 **(5) The amount of any balloon payment, and when the balloon**
 38 **payment is due.**

39 **(6) A statement setting forth whether the seller or buyer is**
 40 **responsible for paying real estate taxes and insurance with**
 41 **respect to the real estate, including the procedures necessary**
 42 **for the timely invoicing and payment of those amounts. In any**



1 case in which responsibility for the payment of real estate
 2 taxes and insurance with respect to the property is not clearly
 3 set forth in the contract, the seller:

4 (A) is responsible for paying real estate taxes and
 5 insurance when due; and

6 (B) may not seek reimbursement for those amounts from
 7 the buyer.

8 (7) Subject to subdivision (6), the amount that will be charged
 9 periodically, if any, during the first year of the contract to pay
 10 real estate taxes.

11 (8) Subject to subdivision (6), the amount that will be charged
 12 periodically, if any, during the first year of the contract to pay
 13 for insurance.

14 (9) A statement that any amounts listed under subdivision (7)
 15 or (8) are subject to change each year.

16 (10) A listing of any unpaid amounts owed for real estate taxes
 17 with respect to the property.

18 (11) The types of insurance coverage, including property
 19 insurance and title insurance, for the buyer and seller that are
 20 required under, or are to be provided in connection with, the
 21 contract.

22 (12) A statement setting forth any repairs the buyer is
 23 financially responsible for making to the residential real
 24 estate that is subject to the contract.

25 (13) A statement setting forth any types of alterations to the
 26 property that must be approved by both the buyer and the
 27 seller before being made, including any requirements to
 28 provide evidence of necessary permits, insurance, and lien
 29 waiver agreements.

30 **Sec. 3. All preexisting liens must be satisfied by the seller by the**
 31 **end of the principal dwelling land contract term. The payment of**
 32 **liens that arise after the execution of the principal dwelling land**
 33 **contract shall be satisfied by the seller before the end of the**
 34 **contract term unless otherwise set forth in the contract.**

35 **Sec. 4. A principal dwelling land contract must permit a buyer**
 36 **to pay the balance owed on the contract and receive the deed at any**
 37 **time. A principal dwelling land contract may not impose a**
 38 **prepayment penalty or additional charge for an early payoff.**

39 **Sec. 5. At the time the parties execute the principal dwelling**
 40 **land contract, the seller shall provide the buyer with one (1) copy**
 41 **of the executed contract. The principal dwelling land contract**
 42 **must:**



1 (1) be notarized; and

2 (2) conform to the requirements set forth in IC 36-2-11 for the
3 recording of documents.

4 **Sec. 6. The buyer or seller is not bound by a principal dwelling**
5 **land contract during the three (3) business days immediately**
6 **following the date of execution of the contract in the contract's full**
7 **and final form. At any time during the three (3) day period**
8 **described in this section, the buyer or the seller may deliver to the**
9 **other party a written notice of cancellation that has the legal effect**
10 **of canceling the transaction. If a notice of cancellation is delivered**
11 **by either the buyer or the seller to the other party during the three**
12 **(3) day period described in this section, the following apply:**

13 (1) The buyer shall, not later than twenty-four (24) hours
14 after receipt or delivery of the notice of cancellation:

15 (A) surrender possession of the real estate that is the
16 subject of the transaction back to the seller; and

17 (B) return any keys or other devices that may be used to
18 access the property to the seller or the seller's agent.

19 (2) The seller shall, not later than two (2) business days after
20 being placed back into possession of the real estate, return all
21 monies paid by the buyer, including any down payments, fees,
22 or regular payments made in connection with the transaction.

23 Neither the buyer nor the seller may waive the three (3) day
24 cancellation period provided for by this section, by contract or
25 otherwise.

26 **Sec. 7. The seller shall record the executed principal dwelling**
27 **land contract or memorandum of land contract not later than**
28 **thirty (30) days after the contract or memorandum is executed and**
29 **notarized. The buyer may record the executed and notarized**
30 **principal dwelling land contract or memorandum of land contract**
31 **at any time. The recording shall be done in the county where the**
32 **real property is located.**

33 **Sec. 8. After a principal dwelling land contract is recorded**
34 **under section 7 of this chapter, the seller may transfer the seller's**
35 **interest in the real estate that is the subject of the principal**
36 **dwelling land contract to another person through a recorded deed.**
37 **The interest transferred is subject to the recorded principal**
38 **dwelling land contract. The transferee shall provide to the buyer**
39 **under the principal dwelling land contract written notice of the**
40 **transfer. The notice required by this section shall be provided by**
41 **first class mail and by certified mail, return receipt requested, and**
42 **must include the following:**



1 (1) A copy of the recorded warranty deed transferring the
2 seller's interest in the real estate to the transferee.

3 (2) The telephone number of the transferee.

4 (3) The address to which payments under the principal
5 dwelling land contract must be sent.

6 **Sec. 9. (a)** Subject to subsection (b), after a principal dwelling
7 land contract is recorded under section 7 of this chapter, the buyer
8 under the principal dwelling land contract may transfer the
9 buyer's:

10 (1) interest in the real estate that is the subject of the contract,
11 as of the date of the transfer; and

12 (2) rights and obligations under the contract, as of the date of
13 the transfer;

14 to a subsequent buyer.

15 (b) A transfer of a buyer's interest, rights, and obligations
16 described in subsection (a) is subject to the following:

17 (1) The recorded principal dwelling land contract must not
18 contain a provision specifying that the buyer's:

19 (A) interest in the real estate; and

20 (B) rights and obligations under the contract;

21 are not transferable or assignable during the term of the
22 contract.

23 (2) The buyer and seller under the recorded principal
24 dwelling land contract must provide the subsequent buyer
25 with the following:

26 (A) All applicable information, forms, and statements
27 required under section 1 of this chapter, current as of the
28 date of the transfer.

29 (B) All disclosures required under section 2 of this chapter,
30 current as of the date of the transfer.

31 (3) After the buyer's:

32 (A) interest in the real estate; and

33 (B) rights and obligations under the recorded principal
34 dwelling land contract;

35 are transferred to the subsequent buyer, sections 4 through 8
36 of this chapter apply with respect to the seller and the
37 subsequent buyer.

38 **Chapter 4. Statement of Account**

39 **Sec. 1.** Before January 31 of each year, the seller shall provide
40 the buyer with a written statement of account for the previous
41 calendar year. The statement must include the following:

42 (1) A record of all payments made by the buyer.



- 1 (2) If applicable, a record of all payments made by the seller
- 2 to satisfy any liens, and to whom the payments were made.
- 3 (3) The payoff amount as of the end of the previous calendar
- 4 year.

5 **Chapter 5. Buyer Default**

6 **Sec. 1. If a buyer fails to make three (3) consecutive, timely**
7 **payments as required under a principal dwelling land contract, the**
8 **buyer is in default of the contract. If:**

- 9 (1) the buyer has made timely payments under the contract
- 10 for at least one (1) year; or
- 11 (2) the amount of all payments made by the buyer under the
- 12 contract, including any down payment or prepayment, is at
- 13 least thirty percent (30%) of the purchase price;

14 the seller shall send the buyer, not later than ten (10) days after the
15 missed payments, a notice of default.

16 **Sec. 2. A seller shall give a buyer an opportunity to cure within**
17 **sixty (60) days after the date of receipt of the notice provided to the**
18 **buyer under section 1 of this chapter. If the buyer fails to exercise**
19 **the right to cure, the seller may begin foreclosure proceedings**
20 **against the buyer.**

21 **Sec. 3. Forfeiture of possession of the real estate that is the**
22 **subject of a principal dwelling land contract is available as a**
23 **remedy to the seller upon any act or omission of the buyer that**
24 **constitutes a default under the terms of the contract, only if either**
25 **or both of the following apply:**

- 26 (1) The real estate has been abandoned by the buyer.
- 27 (2) Both of the following apply:
- 28 (A) The amount of all payments made by the buyer under
- 29 the contract, including any down payment or prepayment,
- 30 is less than ten percent (10%) of the purchase price.
- 31 (B) The seller's security interest in the real estate has been
- 32 jeopardized by the acts or omissions of the buyer.

33 **Sec. 4. At any time during the term of a principal dwelling land**
34 **contract, a seller shall not force a buyer's default by failing or**
35 **refusing to accept a payment.**

36 **Chapter 6. Violations**

37 **Sec. 1. (a) If a seller fails to provide a complete record of any**
38 **liens encumbering the property under IC 32-29.5-3-1, the buyer**
39 **has the right, not later than sixty (60) days after the parties execute**
40 **the principal dwelling land contract, to:**

- 41 (1) rescind the contract, subject to subsection (b); or
- 42 (2) obtain liquidated damages of up to one (1) month's



1 payment under the contract.

2 **(b) If, at the time a buyer seeks to rescind a principal dwelling**

3 **land contract under subsection (a)(1), the contract has been**

4 **recorded, the buyer shall:**

5 **(1) execute a quitclaim deed to the seller with respect to the**

6 **buyer's interest in the real estate as of the date of the**

7 **rescission; and**

8 **(2) record the quitclaim deed in the county in which the real**

9 **estate is located.**

10 **The quitclaim deed required under this subsection must contain a**

11 **cross-reference to the recorded principal dwelling land contract.**

12 **The seller is responsible for all expenses incurred in the drafting**

13 **and recording of a quitclaim deed required under this subsection.**

14 **However, if the buyer vacates the property and does not execute**

15 **and record a release of the principal dwelling land contract not**

16 **later than ten (10) days after vacating the property, the seller may**

17 **file an action for forfeiture.**

18 **(c) If a buyer brings an action under this section and prevails,**

19 **the court may award the buyer court costs and reasonable**

20 **attorney's fees.**

21 **Sec. 2. If a seller fails to send a written statement of account:**

22 **(1) that substantially complies with IC 32-29.5-4; and**

23 **(2) before March 1 of the year in which it is due;**

24 **the buyer is entitled to liquidated damages of up to one (1) month's**

25 **payment under the principal dwelling land contract. If a buyer**

26 **brings an action under this section and prevails, the court may**

27 **award the buyer court costs and reasonable attorney's fees.**

28 **Sec. 3. (a) This subsection applies to a principal dwelling land**

29 **contract entered into after June 30, 2024. If a seller prepares a**

30 **principal dwelling land contract that does not substantially comply**

31 **with IC 32-29.5-3, the buyer is entitled to:**

32 **(1) liquidated damages of up to one (1) month's payment**

33 **under the contract; and**

34 **(2) a new principal dwelling land contract containing**

35 **substantially identical terms to the original contract, prepared**

36 **at the seller's expense, that complies with IC 32-29.5-3.**

37 **However, if the seller fails to present the buyer with a new**

38 **principal dwelling land contract containing substantially identical**

39 **terms that complies with IC 32-29.5-3 within sixty (60) days of**

40 **being requested to do so in writing, the buyer is entitled to rescind**

41 **the contract, subject to subsection (b).**

42 **(b) If, at the time a buyer seeks to rescind a principal dwelling**



1 land contract under subsection (a), the contract has been recorded,
2 the buyer shall:

- 3 (1) execute a quitclaim deed to the seller with respect to the
4 buyer's interest in the real estate as of the date of the
5 rescission; and
6 (2) record the quitclaim deed in the county in which the real
7 estate is located.

8 The quitclaim deed required under this subsection must contain a
9 cross-reference to the recorded principal dwelling land contract.
10 The seller is responsible for all expenses incurred in the drafting
11 and recording of a quitclaim deed required under this subsection.
12 However, if the buyer vacates the property and does not execute
13 and record a release of the principal dwelling land contract not
14 later than ten (10) days after vacating the property, the seller may
15 file an action for forfeiture.

16 (c) If a buyer brings an action under this section and prevails,
17 the court may award the buyer court costs and reasonable
18 attorney's fees.

19 Sec. 4. A violation of this article is an incurable deceptive act
20 that is:

- 21 (1) actionable by the attorney general under IC 24-5-0.5-4(c);
22 and
23 (2) subject to the penalties and remedies available to the
24 attorney general under IC 24-5-0.5.

25 Chapter 7. Seller Default

26 Sec. 1. (a) If:

- 27 (1) the buyer has fulfilled the requirements of the principal
28 dwelling land contract; and
29 (2) the seller is unable to transfer title to the buyer without
30 any assumed liens on the property;

31 the seller shall pay the buyer liquidated damages in the amount of
32 twenty-five dollars (\$25) per day until each unassumed lien is
33 satisfied. If a buyer brings an action under this section and
34 prevails, the court may award the buyer court costs and reasonable
35 attorney's fees.

36 (b) This section does not affect the seller's obligation to satisfy
37 any unassumed lien.

38 (c) A buyer who has fulfilled the requirements of the principal
39 dwelling land contract is entitled to possession of the real property
40 with no further payments due to the seller.

41 Chapter 8. Rulemaking

42 Sec. 1. The attorney general, in consultation with the



1 **department of financial institutions, may adopt rules under**
2 **IC 4-22-2 to implement this article.**

3 **SECTION 4. An emergency is declared for this act.**

