

HOUSE BILL No. 1334

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-49.

Synopsis: Property tax deduction for maintaining wetlands. Provides a property tax deduction for a person's qualified wetlands area. Defines "qualified wetlands area". Requires a person to provide a wetland delineation report to the county auditor to be eligible for the deduction.

Effective: January 1, 2023.

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January 11, 2022, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 122nd General Assembly (2022)

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 2021 Regular Session of the General Assembly.

HOUSE BILL No. 1334

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 6-1.1-49 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2023]:

4 **Chapter 49. Wetland Preservation Deduction**

5 **Sec. 1. As used in this chapter, "qualified wetlands area" means**
6 **an area of a person's real property for which the department of**
7 **environmental management has issued a certification as described**
8 **in section 5(c) of this chapter.**

9 **Sec. 2. As used in this chapter, "wetlands" means areas that are**
10 **inundated or saturated by surface or ground water at a frequency**
11 **and duration sufficient to support, and that under normal**
12 **circumstances do support, a prevalence of vegetation typically**
13 **adapted for life in saturated soil conditions. Wetlands generally**
14 **include:**

- 15 (1) swamps;
- 16 (2) marshes;
- 17 (3) bogs; and



1 **(4) similar areas.**

2 **The term includes a geographically isolated wetland that is not**
3 **subject to regulation under Section 404(a) of the federal Clean**
4 **Water Act.**

5 **Sec. 3. As used in this chapter, "wetlands delineation" has the**
6 **meaning set forth in IC 13-11-2-265.8.**

7 **Sec. 4. (a) Except as provided in section 7 of this chapter, a**
8 **person may claim a deduction from the assessed value of the**
9 **person's real property that has been certified as qualified wetlands**
10 **area by the department of environmental management.**

11 **(b) Subject to section 7 of this chapter, the deduction is equal to**
12 **one hundred percent (100%) of the assessed value of the person's**
13 **real property that has been certified as qualified wetlands area.**

14 **Sec. 5. (a) In order to receive a determination of whether a**
15 **person's real property is qualified wetlands area, the person must**
16 **first submit a wetlands delineation report prepared by a wetland**
17 **or environmental consultant to the United States Army Corps of**
18 **Engineers for review and approval that wetlands exist on the real**
19 **property. Following review and approval by the United States**
20 **Army Corps of Engineers, the person shall provide:**

21 **(1) the wetlands delineation report; and**

22 **(2) all correspondence concerning the wetlands delineation**
23 **report received from the United States Army Corps of**
24 **Engineers;**

25 **to the department of environmental management, on a form**
26 **prescribed by the department of environmental management.**

27 **(b) Subject to subsection (e), the department of environmental**
28 **management shall:**

29 **(1) review the materials submitted under subsection (a); and**
30 **(2) inspect the wetlands area to confirm it is undisturbed by**
31 **human activity or development, other than improvements or**
32 **restorations made to the wetlands area, including the planting**
33 **of trees;**

34 **and determine whether the person's real property is qualified**
35 **wetlands area.**

36 **(c) Subject to subsection (e), if the department of environmental**
37 **management determines that the person's real property is qualified**
38 **wetlands area, the department of environmental management shall**
39 **certify the qualified wetlands area and provide proof of the**
40 **certification to the person. The department of environmental**
41 **management shall prescribe the form and manner of the**
42 **certification process required by this subsection.**



1 (d) The department of environmental management shall inspect
2 a person's qualified wetlands area, using any approach determined
3 sufficient by the department of environmental management, at
4 least one (1) time every four (4) years to confirm the certification
5 of the real property as qualified wetlands area remains valid. The
6 department of environmental management shall determine the
7 method used in conducting inspections.

8 (e) Wetlands for which the person already receives a federal or
9 state financial incentive may not be considered or certified as
10 qualified wetlands area for purposes of this chapter.

11 Sec. 6. A person who qualifies and wishes to claim the deduction
12 under this chapter must file a certified statement in duplicate, on
13 forms prescribed by the department of local government finance,
14 including the department of environmental management's
15 certification under section 5(c) of this chapter, with the auditor of
16 the county in which the qualified wetlands area is located. The
17 person must complete and date the statement in the calendar year
18 for which the person wishes to obtain the deduction and file the
19 statement with the county auditor on or before January 5 of the
20 immediately succeeding calendar year. The statement may be filed
21 in person or by mail. If mailed, the mailing must be postmarked on
22 or before the last day for filing. Upon verification of the statement
23 by the assessor of the township in which the property for which the
24 deduction is claimed is subject to assessment, or the county
25 assessor if there is no township assessor for the township, the
26 county auditor shall allow the deduction.

27 Sec. 7. (a) A person who receives a deduction under this chapter
28 for a particular year and who remains eligible for the deduction
29 for the following year is not required to file a statement to apply
30 for the deduction for the following year. However, the person shall
31 file a copy of any updated certification received under section 5(d)
32 of this chapter each time the person receives an updated
33 certification from the department of environmental management.

34 (b) A person who receives a deduction under this chapter for a
35 particular year and who becomes ineligible for the deduction for
36 the following year shall notify the auditor of the county in which
37 the real property for which the person received the deduction is
38 located of the person's ineligibility before March 31 of the year for
39 which the person becomes ineligible.

40 (c) The auditor of each county shall, in a particular year, apply
41 a deduction under this chapter to each person who received the
42 deduction in the preceding year unless the auditor determines that



1 the person is no longer eligible for the deduction.

2 Sec. 8. (a) If the department of environmental management
3 determines that a person who received a deduction under this
4 chapter for a particular year was no longer eligible for deduction
5 received under this chapter for the qualified wetlands area, the
6 person is liable for payment in an amount equal to the amount of
7 assessed value that was deducted under this chapter, due to the
8 county auditor. If a person is determined to be liable for the
9 amount under this subsection, the department of environmental
10 management shall notify the county auditor, and the county
11 auditor shall provide notice of the liability to the person.

12 (b) In addition to the amount under subsection (a), a person who
13 receives a deduction under this chapter for which the person was
14 not eligible is liable for a civil penalty in an amount determined by
15 the department of environmental management. A civil penalty
16 imposed under this subsection must be paid to the department of
17 environmental management. Any civil penalties collected by the
18 department of environmental management under this subsection
19 must be used by the department of environmental management for
20 the purposes of carrying out this chapter.

