



March 13, 2019

ENGROSSED HOUSE BILL No. 1345

DIGEST OF HB 1345 (Updated March 12, 2019 11:51 am - DI 133)

Citations Affected: IC 6-1.1; noncode.

Synopsis: Property tax matters. Provides that if a for-profit land developer acquires land in inventory from a school corporation or a local unit of government, the land in inventory shall be assessed as agricultural land at the agricultural land base rate on the first assessment date immediately following the date on which the land developer acquires title to the land in inventory, and thereafter the land in inventory is subject to the usual provisions for reassessment of a land developer's land in inventory. Restores the property tax exemption for certain real property that is acquired for the purpose of erecting, renovating, or improving a single family residential structure that is to be given away or sold: (1) in a charitable manner; (2) by a nonprofit
(Continued next page)

Effective: Upon passage; January 1, 2018 (retroactive); January 1, 2020.

Miller D, Pressel

(SENATE SPONSORS — ROGERS, DORIOT, BOHACEK)

January 14, 2019, read first time and referred to Committee on Ways and Means.
February 14, 2019, amended, reported — Do Pass.
February 18, 2019, read second time, ordered engrossed. Engrossed.
February 19, 2019, read third time, passed. Yeas 74, nays 21.

SENATE ACTION

March 4, 2019, read first time and referred to Committee on Tax and Fiscal Policy.
March 12, 2019, reported favorably — Do Pass.

EH 1345—LS 7218/DI 120



Digest Continued

organization; and (3) to low income individuals who will use the land as a family residence. Provides a property tax exemption for assessment dates occurring after December 31, 2016, 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. Allows a refund for any property taxes paid in 2018 and 2019 for property that qualifies for the exemption.



March 13, 2019

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.

ENGROSSED HOUSE BILL No. 1345

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 6-1.1-4-12, AS AMENDED BY P.L.118-2013,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2020]: Sec. 12. (a) As used in this section, "land
4 developer" means a person that holds land for sale in the ordinary
5 course of the person's trade or business. The term includes a financial
6 institution (as defined in IC 28-1-1-3(1)) if the financial institution's
7 land in inventory is purchased, acquired, or held for one (1) or more of
8 the purposes established under IC 28-1-11-5(a)(2), IC 28-1-11-5(a)(3),
9 and IC 28-1-11-5(a)(4).
10 (b) As used in this section, "land in inventory" means:
11 (1) a lot; or
12 (2) a tract that has not been subdivided into lots;
13 to which a land developer holds title in the ordinary course of the land
14 developer's trade or business.
15 (c) As used in this section, "title" refers to legal or equitable title,
16 including the interest of a contract purchaser.
17 (d) For purposes of this section, land purchased, acquired, or held

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1 by a financial institution for one (1) or more of the purposes established
 2 under IC 28-1-11-5(a)(2), IC 28-1-11-5(a)(3), and IC 28-1-11-5(a)(4)
 3 is considered held for sale in the ordinary course of the financial
 4 institution's trade or business.

5 (e) Except as provided in subsections (i), ~~and (j)~~, and (k), if:

6 (1) land assessed on an acreage basis is subdivided into lots; or

7 (2) land is rezoned for, or put to, a different use;

8 the land shall be reassessed on the basis of its new classification.

9 (f) If improvements are added to real property, the improvements
 10 shall be assessed.

11 (g) An assessment or reassessment made under this section is
 12 effective on the next assessment date.

13 (h) No petition to the department of local government finance is
 14 necessary with respect to an assessment or reassessment made under
 15 this section.

16 (i) **Except as provided in subsection (k) and** subject to subsection
 17 (j), land in inventory may not be reassessed until the next assessment
 18 date following the earliest of:

19 (1) the date on which title to the land is transferred by:

20 (A) the land developer; or

21 (B) a successor land developer that acquires title to the land;
 22 to a person that is not a land developer;

23 (2) the date on which construction of a structure begins on the
 24 land; or

25 (3) the date on which a building permit is issued for construction
 26 of a building or structure on the land.

27 (j) Subsection (i) applies regardless of whether the land in inventory
 28 is rezoned while a land developer holds title to the land.

29 **(k) This subsection applies to land in inventory that a for-profit**
 30 **land developer acquires from a school corporation or a local unit**
 31 **of government (as defined in IC 14-22-31.5-1). Land in inventory**
 32 **to which this subsection applies shall be assessed on the first**
 33 **assessment date immediately following the date on which the land**
 34 **developer acquires title to the land in inventory. Notwithstanding**
 35 **section 13(a) of this chapter, land in inventory to which this**
 36 **subsection applies is considered to be devoted to agricultural use**
 37 **and shall be assessed at the agricultural land base rate. After the**
 38 **initial assessment under this subsection, land in inventory to which**
 39 **this subsection applies shall be reassessed in accordance with**
 40 **subsection (i).**

41 SECTION 2. IC 6-1.1-10-16, AS AMENDED BY P.L.181-2016,
 42 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JANUARY 1, 2018 (RETROACTIVE)]: Sec. 16. (a) All or part of a
 2 building is exempt from property taxation if it is owned, occupied, and
 3 used by a person for educational, literary, scientific, religious, or
 4 charitable purposes.

5 (b) A building is exempt from property taxation if it is owned,
 6 occupied, and used by a town, city, township, or county for educational,
 7 literary, scientific, fraternal, or charitable purposes.

8 (c) A tract of land, including the campus and athletic grounds of an
 9 educational institution, is exempt from property taxation if:

10 (1) a building that is exempt under subsection (a) or (b) is situated
 11 on it;

12 (2) a parking lot or structure that serves a building referred to in
 13 subdivision (1) is situated on it; or

14 (3) the tract:

15 (A) is owned by a nonprofit entity established for the purpose
 16 of retaining and preserving land and water for their natural
 17 characteristics;

18 (B) does not exceed five hundred (500) acres; and

19 (C) is not used by the nonprofit entity to make a profit.

20 (d) A tract of land is exempt from property taxation if:

21 (1) it is purchased for the purpose of erecting a building that is to
 22 be owned, occupied, and used in such a manner that the building
 23 will be exempt under subsection (a) or (b); and

24 (2) not more than four (4) years after the property is purchased,
 25 and for each year after the four (4) year period, the owner
 26 demonstrates substantial progress and active pursuit towards the
 27 erection of the intended building and use of the tract for the
 28 exempt purpose. To establish substantial progress and active
 29 pursuit under this subdivision, the owner must prove the existence
 30 of factors such as the following:

31 (A) Organization of and activity by a building committee or
 32 other oversight group.

33 (B) Completion and filing of building plans with the
 34 appropriate local government authority.

35 (C) Cash reserves dedicated to the project of a sufficient
 36 amount to lead a reasonable individual to believe the actual
 37 construction can and will begin within four (4) years.

38 (D) The breaking of ground and the beginning of actual
 39 construction.

40 (E) Any other factor that would lead a reasonable individual to
 41 believe that construction of the building is an active plan and
 42 that the building is capable of being completed within eight (8)



1 years considering the circumstances of the owner.
 2 If the owner of the property sells, leases, or otherwise transfers a tract
 3 of land that is exempt under this subsection, the owner is liable for the
 4 property taxes that were not imposed upon the tract of land during the
 5 period beginning January 1 of the fourth year following the purchase
 6 of the property and ending on December 31 of the year of the sale,
 7 lease, or transfer. The county auditor of the county in which the tract
 8 of land is located may establish an installment plan for the repayment
 9 of taxes due under this subsection. The plan established by the county
 10 auditor may allow the repayment of the taxes over a period of years
 11 equal to the number of years for which property taxes must be repaid
 12 under this subsection.

13 (e) Personal property is exempt from property taxation if it is owned
 14 and used in such a manner that it would be exempt under subsection (a)
 15 or (b) if it were a building.

16 (f) A hospital's property that is exempt from property taxation under
 17 subsection (a), (b), or (e) shall remain exempt from property taxation
 18 even if the property is used in part to furnish goods or services to
 19 another hospital whose property qualifies for exemption under this
 20 section.

21 (g) Property owned by a shared hospital services organization that
 22 is exempt from federal income taxation under Section 501(c)(3) or
 23 501(e) of the Internal Revenue Code is exempt from property taxation
 24 if it is owned, occupied, and used exclusively to furnish goods or
 25 services to a hospital whose property is exempt from property taxation
 26 under subsection (a), (b), or (e).

27 (h) This section does not exempt from property tax an office or a
 28 practice of a physician or group of physicians that is owned by a
 29 hospital licensed under IC 16-21-2 or other property that is not
 30 substantially related to or supportive of the inpatient facility of the
 31 hospital unless the office, practice, or other property:

32 (1) provides or supports the provision of charity care (as defined
 33 in IC 16-18-2-52.5), including providing funds or other financial
 34 support for health care services for individuals who are indigent
 35 (as defined in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or

36 (2) provides or supports the provision of community benefits (as
 37 defined in IC 16-21-9-1), including research, education, or
 38 government sponsored indigent health care (as defined in
 39 IC 16-21-9-2).

40 However, participation in the Medicaid or Medicare program alone
 41 does not entitle an office, practice, or other property described in this
 42 subsection to an exemption under this section.



1 (i) ~~The exemption provided in this subsection applies only for an~~
 2 ~~assessment date occurring before January 2, 2017.~~ A tract of land or a
 3 tract of land plus all or part of a structure on the land is exempt from
 4 property taxation if:

5 (1) the tract is acquired for the purpose of erecting, renovating, or
 6 improving a single family residential structure that is to be given
 7 away or sold:

8 (A) in a charitable manner;

9 (B) by a nonprofit organization; and

10 (C) to low income individuals who will:

11 (i) use the land as a family residence; and

12 (ii) not have an exemption for the land under this section;

13 (2) the tract does not exceed three (3) acres; and

14 (3) the tract of land or the tract of land plus all or part of a
 15 structure on the land is not used for profit while exempt under this
 16 section.

17 ~~This subsection expires January 1, 2028.~~

18 (j) An exemption under subsection (i) terminates

19 ~~(+)~~ when the property is conveyed by the nonprofit organization
 20 to another owner. ~~or~~

21 ~~(2) January 2, 2017;~~

22 ~~whichever occurs first. This subsection expires January 1, 2028.~~

23 (k) When property that is exempt in any year under subsection (i) is
 24 conveyed to another owner, the nonprofit organization receiving the
 25 exemption must file a certified statement with the auditor of the county,
 26 notifying the auditor of the change not later than sixty (60) days after
 27 the date of the conveyance. The county auditor shall immediately
 28 forward a copy of the certified statement to the county assessor. A
 29 nonprofit organization that fails to file the statement required by this
 30 subsection is liable for the amount of property taxes due on the
 31 property conveyed if it were not for the exemption allowed under this
 32 chapter.

33 (l) If property is granted an exemption in any year under subsection
 34 (i) and the owner:

35 (1) fails to transfer the tangible property within eight (8) years
 36 after the assessment date for which the exemption is initially
 37 granted; or

38 (2) transfers the tangible property to a person who:

39 (A) is not a low income individual; or

40 (B) does not use the transferred property as a residence for at
 41 least one (1) year after the property is transferred;

42 the person receiving the exemption shall notify the county recorder and



1 the county auditor of the county in which the property is located not
 2 later than sixty (60) days after the event described in subdivision (1) or
 3 (2) occurs. The county auditor shall immediately inform the county
 4 assessor of a notification received under this subsection. ~~This~~
 5 ~~subsection expires January 1, 2028.~~

6 (m) If subsection (l)(1) or (l)(2) applies, the owner shall pay, not
 7 later than the date that the next installment of property taxes is due, an
 8 amount equal to the sum of the following:

9 (1) The total property taxes that, if it were not for the exemption
 10 under subsection (i), would have been levied on the property in
 11 each year in which an exemption was allowed.

12 (2) Interest on the property taxes at the rate of ten percent (10%)
 13 per year.

14 ~~This subsection expires January 1, 2028.~~

15 (n) The liability imposed by subsection (m) is a lien upon the
 16 property receiving the exemption under subsection (i). An amount
 17 collected under subsection (m) shall be collected as an excess levy. If
 18 the amount is not paid, it shall be collected in the same manner that
 19 delinquent taxes on real property are collected. ~~This subsection expires~~
 20 ~~January 1, 2028.~~

21 (o) Property referred to in this section shall be assessed to the extent
 22 required under IC 6-1.1-11-9.

23 (p) A for-profit provider of early childhood education services to
 24 children who are at least four (4) but less than six (6) years of age on
 25 the annual assessment date may receive the exemption provided by this
 26 section for property used for educational purposes only if all the
 27 requirements of section 46 of this chapter are satisfied. A for-profit
 28 provider of early childhood education services that provides the
 29 services only to children younger than four (4) years of age may not
 30 receive the exemption provided by this section for property used for
 31 educational purposes.

32 SECTION 3. IC 6-1.1-10-48 IS ADDED TO THE INDIANA CODE
 33 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 34 UPON PASSAGE]: **Sec. 48. (a) This section applies to assessment**
 35 **dates occurring after December 31, 2016.**

36 **(b) Tangible property is exempt from property taxation if:**

37 **(1) it is owned by an Indiana nonprofit public benefit**
 38 **corporation exempt from taxation under Section 501(c)(3) of**
 39 **the Internal Revenue Code;**

40 **(2) the property is used in the operation of a nonprofit health,**
 41 **fitness, aquatics, and community center; and**

42 **(3) funds for the acquisition and development of the property**



- 1 **have been provided in part under the regional cities initiative**
 2 **of the Indiana economic development corporation under**
 3 **IC 5-28-38.**
- 4 **(c) The property that is exempt under this section also includes**
 5 **any part of the property that is leased or licensed by the owner to**
 6 **another nonprofit or municipal entity for use as a nonprofit health,**
 7 **fitness, aquatics, or community center and property used for**
 8 **storage and parking.**
- 9 **(d) For purposes of this section, a tract of land and any**
 10 **improvements on the land are exempt from taxation if not more**
 11 **than four (4) years after the property is purchased, and for each**
 12 **year after the four (4) year period, the owner demonstrates**
 13 **substantial progress and active pursuit towards the use of the tract**
 14 **of land and any improvements on the tract as a nonprofit health,**
 15 **fitness, aquatics, and community center. To establish substantial**
 16 **progress and active pursuit under this subsection, the owner must**
 17 **prove the existence of factors such as the following:**
- 18 **(1) Organization of and activity by a building committee or**
 19 **other oversight group.**
- 20 **(2) Completion and filing of building plans with the**
 21 **appropriate local government authority.**
- 22 **(3) Cash reserves dedicated to the project of a sufficient**
 23 **amount to lead a reasonable individual to believe actual**
 24 **construction can and will begin within four (4) years.**
- 25 **(4) The breaking of ground and the beginning of actual**
 26 **construction.**
- 27 **(5) Any other factor that would lead a reasonable individual**
 28 **to believe that construction of the improvement is an active**
 29 **plan and that the improvement is capable of being completed**
 30 **within eight (8) years considering the circumstances of the**
 31 **owner.**
- 32 **(e) To the extent the owner of property that is exempt from**
 33 **taxation as provided in this section has paid any property taxes,**
 34 **penalties, or interest with respect to the property for the 2017**
 35 **assessment date through the 2018 assessment date, the owner of the**
 36 **exempt property is entitled to a refund of the amounts paid on the**
 37 **exempt property. Notwithstanding the filing deadlines for a claim**
 38 **under IC 6-1.1-26, any claim for a refund filed by the owner of**
 39 **exempt property under this subsection before September 1, 2019,**
 40 **is considered timely filed. The county auditor shall pay the refund**
 41 **due under this subsection in one (1) installment.**
- 42 **(f) If a refund is due under subsection (e) to an owner of**



1 **property that is exempt under this section, the owner is not entitled**
2 **to interest on the refund under this article or any other law to the**
3 **extent interest has not been paid by or on behalf of the owner.**

4 SECTION 4. [EFFECTIVE JANUARY 1, 2018 (RETROACTIVE)]

5 (a) IC 6-1.1-10-16, as amended by this act, applies only to
6 assessment dates occurring after December 31, 2017.

7 (b) This SECTION expires July 1, 2021.

8 SECTION 5. An emergency is declared for this act.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1345, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 5, delete "(i)" and insert "(i),".

Page 2, line 5, strike "and".

Page 2, line 5, after "(j)," insert "**and (k),**".

Page 2, line 16, delete "Subject" and insert "**Except as provided in subsection (k) and** subject".

Page 2, delete lines 26 through 32.

Page 2, after line 34, begin a new paragraph and insert:

"(k) This subsection applies to land in inventory that a for-profit land developer acquires from a school corporation or a local unit of government (as defined in IC 14-22-31.5-1). Land in inventory to which this subsection applies shall be assessed on the first assessment date immediately following the date on which the land developer acquires title to the land in inventory. Notwithstanding section 13(a) of this chapter, land in inventory to which this subsection applies is considered to be devoted to agricultural use and shall be assessed at the agricultural land base rate. After the initial assessment under this subsection, land in inventory to which this subsection applies shall be reassessed in accordance with subsection (i).

SECTION 2. IC 6-1.1-10-16, AS AMENDED BY P.L.181-2016, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2018 (RETROACTIVE)]: Sec. 16. (a) All or part of a building is exempt from property taxation if it is owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes.

(b) A building is exempt from property taxation if it is owned, occupied, and used by a town, city, township, or county for educational, literary, scientific, fraternal, or charitable purposes.

(c) A tract of land, including the campus and athletic grounds of an educational institution, is exempt from property taxation if:

- (1) a building that is exempt under subsection (a) or (b) is situated on it;
- (2) a parking lot or structure that serves a building referred to in subdivision (1) is situated on it; or
- (3) the tract:

(A) is owned by a nonprofit entity established for the purpose of retaining and preserving land and water for their natural



characteristics;

(B) does not exceed five hundred (500) acres; and

(C) is not used by the nonprofit entity to make a profit.

(d) A tract of land is exempt from property taxation if:

(1) it is purchased for the purpose of erecting a building that is to be owned, occupied, and used in such a manner that the building will be exempt under subsection (a) or (b); and

(2) not more than four (4) years after the property is purchased, and for each year after the four (4) year period, the owner demonstrates substantial progress and active pursuit towards the erection of the intended building and use of the tract for the exempt purpose. To establish substantial progress and active pursuit under this subdivision, the owner must prove the existence of factors such as the following:

(A) Organization of and activity by a building committee or other oversight group.

(B) Completion and filing of building plans with the appropriate local government authority.

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

(D) The breaking of ground and the beginning of actual construction.

(E) Any other factor that would lead a reasonable individual to believe that construction of the building is an active plan and that the building is capable of being completed within eight (8) years considering the circumstances of the owner.

If the owner of the property sells, leases, or otherwise transfers a tract of land that is exempt under this subsection, the owner is liable for the property taxes that were not imposed upon the tract of land during the period beginning January 1 of the fourth year following the purchase of the property and ending on December 31 of the year of the sale, lease, or transfer. The county auditor of the county in which the tract of land is located may establish an installment plan for the repayment of taxes due under this subsection. The plan established by the county auditor may allow the repayment of the taxes over a period of years equal to the number of years for which property taxes must be repaid under this subsection.

(e) Personal property is exempt from property taxation if it is owned and used in such a manner that it would be exempt under subsection (a) or (b) if it were a building.

(f) A hospital's property that is exempt from property taxation under



subsection (a), (b), or (e) shall remain exempt from property taxation even if the property is used in part to furnish goods or services to another hospital whose property qualifies for exemption under this section.

(g) Property owned by a shared hospital services organization that is exempt from federal income taxation under Section 501(c)(3) or 501(e) of the Internal Revenue Code is exempt from property taxation if it is owned, occupied, and used exclusively to furnish goods or services to a hospital whose property is exempt from property taxation under subsection (a), (b), or (e).

(h) This section does not exempt from property tax an office or a practice of a physician or group of physicians that is owned by a hospital licensed under IC 16-21-2 or other property that is not substantially related to or supportive of the inpatient facility of the hospital unless the office, practice, or other property:

- (1) provides or supports the provision of charity care (as defined in IC 16-18-2-52.5), including providing funds or other financial support for health care services for individuals who are indigent (as defined in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or
- (2) provides or supports the provision of community benefits (as defined in IC 16-21-9-1), including research, education, or government sponsored indigent health care (as defined in IC 16-21-9-2).

However, participation in the Medicaid or Medicare program alone does not entitle an office, practice, or other property described in this subsection to an exemption under this section.

(i) ~~The exemption provided in this subsection applies only for an assessment date occurring before January 2, 2017.~~ A tract of land or a tract of land plus all or part of a structure on the land is exempt from property taxation if:

- (1) the tract is acquired for the purpose of erecting, renovating, or improving a single family residential structure that is to be given away or sold:
 - (A) in a charitable manner;
 - (B) by a nonprofit organization; and
 - (C) to low income individuals who will:
 - (i) use the land as a family residence; and
 - (ii) not have an exemption for the land under this section;
- (2) the tract does not exceed three (3) acres; and
- (3) the tract of land or the tract of land plus all or part of a structure on the land is not used for profit while exempt under this section.



~~This subsection expires January 1, 2028.~~

- (j) An exemption under subsection (i) terminates
 (1) when the property is conveyed by the nonprofit organization
 to another owner. ~~or~~
 (2) January 2, 2017;

~~whichever occurs first. This subsection expires January 1, 2028.~~

(k) When property that is exempt in any year under subsection (i) is conveyed to another owner, the nonprofit organization receiving the exemption must file a certified statement with the auditor of the county, notifying the auditor of the change not later than sixty (60) days after the date of the conveyance. The county auditor shall immediately forward a copy of the certified statement to the county assessor. A nonprofit organization that fails to file the statement required by this subsection is liable for the amount of property taxes due on the property conveyed if it were not for the exemption allowed under this chapter.

(l) If property is granted an exemption in any year under subsection (i) and the owner:

- (1) fails to transfer the tangible property within eight (8) years after the assessment date for which the exemption is initially granted; or
 (2) transfers the tangible property to a person who:
 (A) is not a low income individual; or
 (B) does not use the transferred property as a residence for at least one (1) year after the property is transferred;

the person receiving the exemption shall notify the county recorder and the county auditor of the county in which the property is located not later than sixty (60) days after the event described in subdivision (1) or (2) occurs. The county auditor shall immediately inform the county assessor of a notification received under this subsection. ~~This subsection expires January 1, 2028.~~

(m) If subsection (l)(1) or (l)(2) applies, the owner shall pay, not later than the date that the next installment of property taxes is due, an amount equal to the sum of the following:

- (1) The total property taxes that, if it were not for the exemption under subsection (i), would have been levied on the property in each year in which an exemption was allowed.
 (2) Interest on the property taxes at the rate of ten percent (10%) per year.

~~This subsection expires January 1, 2028.~~

(n) The liability imposed by subsection (m) is a lien upon the property receiving the exemption under subsection (i). An amount



collected under subsection (m) shall be collected as an excess levy. If the amount is not paid, it shall be collected in the same manner that delinquent taxes on real property are collected. ~~This subsection expires January 1, 2028.~~

(o) Property referred to in this section shall be assessed to the extent required under IC 6-1.1-11-9.

(p) A for-profit provider of early childhood education services to children who are at least four (4) but less than six (6) years of age on the annual assessment date may receive the exemption provided by this section for property used for educational purposes only if all the requirements of section 46 of this chapter are satisfied. A for-profit provider of early childhood education services that provides the services only to children younger than four (4) years of age may not receive the exemption provided by this section for property used for educational purposes.

SECTION 3. IC 6-1.1-10-48 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 48. (a) This section applies to assessment dates occurring after December 31, 2016.**

(b) Tangible property is exempt from property taxation if:

- (1) it is owned by an Indiana nonprofit public benefit corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code;**
- (2) the property is used in the operation of a nonprofit health, fitness, aquatics, and community center; and**
- (3) funds for the acquisition and development of the property have been provided in part under the regional cities initiative of the Indiana economic development corporation under IC 5-28-38.**

(c) The property that is exempt under this section also includes any part of the property that is leased or licensed by the owner to another nonprofit or municipal entity for use as a nonprofit health, fitness, aquatics, or community center and property used for storage and parking.

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



prove the existence of factors such as the following:

- (1) Organization of and activity by a building committee or other oversight group.**
- (2) Completion and filing of building plans with the appropriate local government authority.**
- (3) Cash reserves dedicated to the project of a sufficient amount to lead a reasonable individual to believe actual construction can and will begin within four (4) years.**
- (4) The breaking of ground and the beginning of actual construction.**
- (5) Any other factor that would lead a reasonable individual to believe that construction of the improvement is an active plan and that the improvement is capable of being completed within eight (8) years considering the circumstances of the owner.**

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

(f) If a refund is due under subsection (e) to an owner of property that is exempt under this section, the owner is not entitled to interest on the refund under this article or any other law to the extent interest has not been paid by or on behalf of the owner.

SECTION 4. [EFFECTIVE JANUARY 1, 2018 (RETROACTIVE)]

(a) IC 6-1.1-10-16, as amended by this act, applies only to assessment dates occurring after December 31, 2017.

(b) This SECTION expires July 1, 2021.

SECTION 5. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1345 as introduced.)

HUSTON

Committee Vote: yeas 20, nays 0.

EH 1345—LS 7218/DI 120



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1345, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to HB 1345 as printed February 15, 2019.)

HOLDMAN, Chairperson

Committee Vote: Yeas 12, Nays 0

