



April 5, 2019

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# ENGROSSED HOUSE BILL No. 1495

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DIGEST OF HB 1495 (Updated April 3, 2019 1:43 pm - DI 128)

**Citations Affected:** IC 6-1.1; IC 24-5; IC 32-29.5.

**Synopsis:** Principal dwelling 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 the seller under a contract must provide the buyer with certain disclosures at least 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  
(Continued next page)

**Effective:** Upon passage.

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## Summers, Clere, Fleming, Burton

(SENATE SPONSORS — BOHACEK, FORD J.D., BREAUX)

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January 24, 2019, read first time and referred to Committee on Financial Institutions.  
February 19, 2019, amended, reported — Do Pass.  
February 21, 2019, read second time, ordered engrossed. Engrossed.  
February 25, 2019, read third time, passed. Yeas 82, nays 14.

SENATE ACTION

March 7, 2019, read first time and referred to Committee on Judiciary.  
April 4, 2019, amended, reported favorably — Do Pass.

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EH 1495—LS 7396/DI 106



## Digest Continued

consultation with the department of financial institutions, to adopt rules to implement these provisions. 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. Requires that a title search be conducted, and that a statement regarding title insurance be provided by the seller to the buyer. Requires that the executed principal dwelling land contract or a memorandum of land contract be notarized. Provides that, if the buyer defaults, then the seller and buyer may execute a notarized release of land contract quitclaim deed, and both shall be recorded by the seller within 30 days of execution.



April 5, 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. 1495

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.255-2017,  
2 SECTION 13, 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, including a house or garage.

8 (B) A mobile home that is not assessed as real property that an  
9 individual uses as the individual's residence.

10 (C) A manufactured home that is not assessed as real property  
11 that an individual uses as the individual's residence.

12 (2) "Homestead" means an individual's principal place of  
13 residence:

14 (A) that is located in Indiana;

15 (B) that:

16 (i) the individual owns;

17 (ii) the individual is buying under a contract recorded in the

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1 county recorder's office, or evidenced by a memorandum of  
 2 contract recorded in the county recorder's office under  
 3 IC 36-2-11-20, that provides that the individual is to pay the  
 4 property taxes on the residence, and that obligates the owner  
 5 to convey title to the individual upon completion of all of the  
 6 individual's contract obligations;

7 (iii) the individual is entitled to occupy as a  
 8 tenant-stockholder (as defined in 26 U.S.C. 216) of a  
 9 cooperative housing corporation (as defined in 26 U.S.C.  
 10 216); or

11 (iv) is a residence described in section 17.9 of this chapter  
 12 that is owned by a trust if the individual is an individual  
 13 described in section 17.9 of this chapter; and

14 (C) that consists of a dwelling and the real estate, not  
 15 exceeding one (1) acre, that immediately surrounds that  
 16 dwelling.

17 **For purposes of clause (B)(ii), the term includes the principal**  
 18 **residence of an individual who has completed all of the**  
 19 **individual's obligations under a principal dwelling land**  
 20 **contract (as defined in IC 32-29.5-2-1), regardless of whether**  
 21 **or not the seller has conveyed the title.** Except as provided in  
 22 subsection (k), the term does not include property owned by a  
 23 corporation, partnership, limited liability company, or other entity  
 24 not described in this subdivision.

25 (b) Each year a homestead is eligible for a standard deduction from  
 26 the assessed value of the homestead for an assessment date. Except as  
 27 provided in subsection (p), the deduction provided by this section  
 28 applies to property taxes first due and payable for an assessment date  
 29 only if an individual has an interest in the homestead described in  
 30 subsection (a)(2)(B) on:

31 (1) the assessment date; or

32 (2) any date in the same year after an assessment date that a  
 33 statement is filed under subsection (e) or section 44 of this  
 34 chapter, if the property consists of real property.

35 If more than one (1) individual or entity qualifies property as a  
 36 homestead under subsection (a)(2)(B) for an assessment date, only one  
 37 (1) standard deduction from the assessed value of the homestead may  
 38 be applied for the assessment date. Subject to subsection (c), the  
 39 auditor of the county shall record and make the deduction for the  
 40 individual or entity qualifying for the deduction.

41 (c) Except as provided in section 40.5 of this chapter, the total  
 42 amount of the deduction that a person may receive under this section



for a particular year is the lesser of:

- (1) sixty percent (60%) of the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property; or
- (2) forty-five thousand dollars (\$45,000).

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

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

- (1) the parcel number or key number of the property and the name of the city, town, or township in which the property is located;
- (2) the name of any other location in which the applicant or the applicant's spouse owns, is buying, or has a beneficial interest in residential real property;
- (3) the names of:

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

- (i) as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number; or
- (ii) that they use as their legal names when they sign their names on legal documents;

if the applicant is an individual; or

(B) each individual who qualifies property as a homestead under subsection (a)(2)(B) and the individual's spouse (if any):

- (i) as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number; or
- (ii) that they use as their legal names when they sign their names on legal documents;

if the applicant is not an individual; and

- (4) either:



(A) the last five (5) digits of the applicant's Social Security number and the last five (5) digits of the Social Security number of the applicant's spouse (if any); or

(B) if the applicant or the applicant's spouse (if any) does not have a Social Security number, any of the following for that individual:

(i) The last five (5) digits of the individual's driver's license number.

(ii) The last five (5) digits of the individual's state identification card number.

(iii) The last five (5) digits of a preparer tax identification number that is obtained by the individual through the Internal Revenue Service of the United States.

(iv) If the individual does not have a driver's license, a state identification card, or an Internal Revenue Service preparer tax identification number, the last five (5) digits of a control number that is on a document issued to the individual by the United States government.

If a form or statement provided to the county auditor under this section, IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or part or all of the Social Security number of a party or other number described in subdivision (4)(B) of a party, the telephone number and the Social Security number or other number described in subdivision (4)(B) included are confidential. The statement may be filed in person or by mail. If the statement is mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the deduction is allowed. With respect to real property, the statement must be completed and dated in the calendar year for which the person desires to obtain the deduction and filed with the county auditor on or before January 5 of the immediately succeeding calendar year. With respect to a mobile home that is not assessed as real property, the person must file the statement during the twelve (12) months before March 31 of the year for which the person desires to obtain the deduction.

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

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

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



- 1 (A) a deduction under this section in the person's name as an
- 2 individual or a spouse; or
- 3 (B) a deduction under the law of another state that is
- 4 equivalent to the deduction provided by this section;
- 5 the person must file a certified statement with the auditor of the county,
- 6 notifying the auditor of the person's ineligibility, not more than sixty
- 7 (60) days after the date of the change in eligibility. A person who fails
- 8 to file the statement required by this subsection may, under
- 9 IC 6-1.1-36-17, be liable for any additional taxes that would have been
- 10 due on the property if the person had filed the statement as required by
- 11 this subsection plus a civil penalty equal to ten percent (10%) of the
- 12 additional taxes due. The civil penalty imposed under this subsection
- 13 is in addition to any interest and penalties for a delinquent payment that
- 14 might otherwise be due. One percent (1%) of the total civil penalty
- 15 collected under this subsection shall be transferred by the county to the
- 16 department of local government finance for use by the department in
- 17 establishing and maintaining the homestead property data base under
- 18 subsection (i) and, to the extent there is money remaining, for any other
- 19 purposes of the department. This amount becomes part of the property
- 20 tax liability for purposes of this article.
- 21 (g) The department of local government finance may adopt rules or
- 22 guidelines concerning the application for a deduction under this
- 23 section.
- 24 (h) This subsection does not apply to property in the first year for
- 25 which a deduction is claimed under this section if the sole reason that
- 26 a deduction is claimed on other property is that the individual or
- 27 married couple maintained a principal residence at the other property
- 28 on the assessment date in the same year in which an application for a
- 29 deduction is filed under this section or, if the application is for a
- 30 homestead that is assessed as personal property, on the assessment date
- 31 in the immediately preceding year and the individual or married couple
- 32 is moving the individual's or married couple's principal residence to the
- 33 property that is the subject of the application. Except as provided in
- 34 subsection (n), the county auditor may not grant an individual or a
- 35 married couple a deduction under this section if:
- 36 (1) the individual or married couple, for the same year, claims the
- 37 deduction on two (2) or more different applications for the
- 38 deduction; and
- 39 (2) the applications claim the deduction for different property.
- 40 (i) The department of local government finance shall provide secure
- 41 access to county auditors to a homestead property data base that
- 42 includes access to the homestead owner's name and the numbers



required from the homestead owner under subsection (e)(4) for the sole purpose of verifying whether an owner is wrongly claiming a deduction under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or IC 6-3.6-5 (after December 31, 2016).

(j) A county auditor may require an individual to provide evidence proving that the individual's residence is the individual's principal place of residence as claimed in the certified statement filed under subsection (e). The county auditor may limit the evidence that an individual is required to submit to a state income tax return, a valid driver's license, or a valid voter registration card showing that the residence for which the deduction is claimed is the individual's principal place of residence. The department of local government finance shall work with county auditors to develop procedures to determine whether a property owner that is claiming a standard deduction or homestead credit is not eligible for the standard deduction or homestead credit because the property owner's principal place of residence is outside Indiana.

(k) As used in this section, "homestead" includes property that satisfies each of the following requirements:

- (1) The property is located in Indiana and consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.
- (2) The property is the principal place of residence of an individual.
- (3) The property is owned by an entity that is not described in subsection (a)(2)(B).
- (4) The individual residing on the property is a shareholder, partner, or member of the entity that owns the property.
- (5) The property was eligible for the standard deduction under this section on March 1, 2009.

(l) If a county auditor terminates a deduction for property described in subsection (k) with respect to property taxes that are:

- (1) imposed for an assessment date in 2009; and
- (2) first due and payable in 2010;

on the grounds that the property is not owned by an entity described in subsection (a)(2)(B), the county auditor shall reinstate the deduction if the taxpayer provides proof that the property is eligible for the deduction in accordance with subsection (k) and that the individual residing on the property is not claiming the deduction for any other property.

(m) For assessment dates after 2009, the term "homestead" includes:

- (1) a deck or patio;
- (2) a gazebo; or





(3) another residential yard structure, as defined in rules adopted by the department of local government finance (other than a swimming pool);  
that is assessed as real property and attached to the dwelling.

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

(1) The names of the county and state in which the individual's spouse claims a deduction substantially similar to the deduction allowed by this section.

(2) A statement made under penalty of perjury that the following are true:

(A) That the individual and the individual's spouse maintain separate principal places of residence.

(B) That neither the individual nor the individual's spouse has an ownership interest in the other's principal place of residence.

(C) That neither the individual nor the individual's spouse has, for that same year, claimed a standard or substantially similar deduction for any property other than the property maintained as a principal place of residence by the respective individuals.

A county auditor may require an individual or an individual's spouse to provide evidence of the accuracy of the information contained in an affidavit submitted under this subsection. The evidence required of the individual or the individual's spouse may include state income tax returns, excise tax payment information, property tax payment information, driver license information, and voter registration information.

(o) If:

(1) a property owner files a statement under subsection (e) to claim the deduction provided by this section for a particular property; and

(2) the county auditor receiving the filed statement determines that the property owner's property is not eligible for the deduction; the county auditor shall inform the property owner of the county auditor's determination in writing. If a property owner's property is not eligible for the deduction because the county auditor has determined that the property is not the property owner's principal place of



1 residence, the property owner may appeal the county auditor's  
 2 determination to the county property tax assessment board of appeals  
 3 as provided in IC 6-1.1-15. The county auditor shall inform the  
 4 property owner of the owner's right to appeal to the county property tax  
 5 assessment board of appeals when the county auditor informs the  
 6 property owner of the county auditor's determination under this  
 7 subsection.

8 (p) An individual is entitled to the deduction under this section for  
 9 a homestead for a particular assessment date if:

10 (1) either:

11 (A) the individual's interest in the homestead as described in  
 12 subsection (a)(2)(B) is conveyed to the individual after the  
 13 assessment date, but within the calendar year in which the  
 14 assessment date occurs; or

15 (B) the individual contracts to purchase the homestead after  
 16 the assessment date, but within the calendar year in which the  
 17 assessment date occurs;

18 (2) on the assessment date:

19 (A) the property on which the homestead is currently located  
 20 was vacant land; or

21 (B) the construction of the dwelling that constitutes the  
 22 homestead was not completed; and

23 (3) either:

24 (A) the individual files the certified statement required by  
 25 subsection (e); or

26 (B) a sales disclosure form that meets the requirements of  
 27 section 44 of this chapter is submitted to the county assessor  
 28 on or before December 31 of the calendar year for the  
 29 individual's purchase of the homestead.

30 An individual who satisfies the requirements of subdivisions (1)  
 31 through (3) is entitled to the deduction under this section for the  
 32 homestead for the assessment date, even if on the assessment date the  
 33 property on which the homestead is currently located was vacant land  
 34 or the construction of the dwelling that constitutes the homestead was  
 35 not completed. The county auditor shall apply the deduction for the  
 36 assessment date and for the assessment date in any later year in which  
 37 the homestead remains eligible for the deduction. A homestead that  
 38 qualifies for the deduction under this section as provided in this  
 39 subsection is considered a homestead for purposes of section 37.5 of  
 40 this chapter and IC 6-1.1-20.6.

41 (q) This subsection applies to an application for the deduction  
 42 provided by this section that is filed for an assessment date occurring



1 after December 31, 2013. Notwithstanding any other provision of this  
 2 section, an individual buying a mobile home that is not assessed as real  
 3 property or a manufactured home that is not assessed as real property  
 4 under a contract providing that the individual is to pay the property  
 5 taxes on the mobile home or manufactured home is not entitled to the  
 6 deduction provided by this section unless the parties to the contract  
 7 comply with IC 9-17-6-17.

8 (r) This subsection:

9 (1) applies to an application for the deduction provided by this  
 10 section that is filed for an assessment date occurring after  
 11 December 31, 2013; and

12 (2) does not apply to an individual described in subsection (q).

13 The owner of a mobile home that is not assessed as real property or a  
 14 manufactured home that is not assessed as real property must attach a  
 15 copy of the owner's title to the mobile home or manufactured home to  
 16 the application for the deduction provided by this section.

17 (s) For assessment dates after 2013, the term "homestead" includes  
 18 property that is owned by an individual who:

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

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

22 (3) was otherwise eligible, without regard to this subsection, for  
 23 the deduction under this section for the property for the  
 24 assessment date immediately preceding the transfer date specified  
 25 in the order described in subdivision (2).

26 For property to qualify under this subsection for the deduction provided  
 27 by this section, the individual described in subdivisions (1) through (3)  
 28 must submit to the county auditor a copy of the individual's transfer  
 29 orders or other information sufficient to show that the individual was  
 30 ordered to transfer to a location outside Indiana. The property continues  
 31 to qualify for the deduction provided by this section until the individual  
 32 ceases to be on active duty, the property is sold, or the individual's  
 33 ownership interest is otherwise terminated, whichever occurs first.  
 34 Notwithstanding subsection (a)(2), the property remains a homestead  
 35 regardless of whether the property continues to be the individual's  
 36 principal place of residence after the individual transfers to a location  
 37 outside Indiana. The property continues to qualify as a homestead  
 38 under this subsection if the property is leased while the individual is  
 39 away from Indiana and is serving on active duty, if the individual has  
 40 lived at the property at any time during the past ten (10) years.  
 41 Otherwise, the property ceases to qualify as a homestead under this  
 42 subsection if the property is leased while the individual is away from



1 Indiana. Property that qualifies as a homestead under this subsection  
 2 shall also be construed as a homestead for purposes of section 37.5 of  
 3 this chapter.

4 SECTION 2. IC 24-5-0.5-3, AS AMENDED BY P.L.170-2017,  
 5 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 UPON PASSAGE]: Sec. 3. (a) A supplier may not commit an unfair,  
 7 abusive, or deceptive act, omission, or practice in connection with a  
 8 consumer transaction. Such an act, omission, or practice by a supplier  
 9 is a violation of this chapter whether it occurs before, during, or after  
 10 the transaction. An act, omission, or practice prohibited by this section  
 11 includes both implicit and explicit misrepresentations.

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

16 (1) That such subject of a consumer transaction has sponsorship,  
 17 approval, performance, characteristics, accessories, uses, or  
 18 benefits it does not have which the supplier knows or should  
 19 reasonably know it does not have.

20 (2) That such subject of a consumer transaction is of a particular  
 21 standard, quality, grade, style, or model, if it is not and if the  
 22 supplier knows or should reasonably know that it is not.

23 (3) That such subject of a consumer transaction is new or unused,  
 24 if it is not and if the supplier knows or should reasonably know  
 25 that it is not.

26 (4) That such subject of a consumer transaction will be supplied  
 27 to the public in greater quantity than the supplier intends or  
 28 reasonably expects.

29 (5) That replacement or repair constituting the subject of a  
 30 consumer transaction is needed, if it is not and if the supplier  
 31 knows or should reasonably know that it is not.

32 (6) That a specific price advantage exists as to such subject of a  
 33 consumer transaction, if it does not and if the supplier knows or  
 34 should reasonably know that it does not.

35 (7) That the supplier has a sponsorship, approval, or affiliation in  
 36 such consumer transaction the supplier does not have, and which  
 37 the supplier knows or should reasonably know that the supplier  
 38 does not have.

39 (8) That such consumer transaction involves or does not involve  
 40 a warranty, a disclaimer of warranties, or other rights, remedies,  
 41 or obligations, if the representation is false and if the supplier  
 42 knows or should reasonably know that the representation is false.



(9) That the consumer will receive a rebate, discount, or other benefit as an inducement for entering into a sale or lease in return for giving the supplier the names of prospective consumers or otherwise helping the supplier to enter into other consumer transactions, if earning the benefit, rebate, or discount is contingent upon the occurrence of an event subsequent to the time the consumer agrees to the purchase or lease.

(10) That the supplier is able to deliver or complete the subject of the consumer transaction within a stated period of time, when the supplier knows or should reasonably know the supplier could not. If no time period has been stated by the supplier, there is a presumption that the supplier has represented that the supplier will deliver or complete the subject of the consumer transaction within a reasonable time, according to the course of dealing or the usage of the trade.

(11) That the consumer will be able to purchase the subject of the consumer transaction as advertised by the supplier, if the supplier does not intend to sell it.

(12) That the replacement or repair constituting the subject of a consumer transaction can be made by the supplier for the estimate the supplier gives a customer for the replacement or repair, if the specified work is completed and:

(A) the cost exceeds the estimate by an amount equal to or greater than ten percent (10%) of the estimate;

(B) the supplier did not obtain written permission from the customer to authorize the supplier to complete the work even if the cost would exceed the amounts specified in clause (A);

(C) the total cost for services and parts for a single transaction is more than seven hundred fifty dollars (\$750); and

(D) the supplier knew or reasonably should have known that the cost would exceed the estimate in the amounts specified in clause (A).

(13) That the replacement or repair constituting the subject of a consumer transaction is needed, and that the supplier disposes of the part repaired or replaced earlier than seventy-two (72) hours after both:

(A) the customer has been notified that the work has been completed; and

(B) the part repaired or replaced has been made available for examination upon the request of the customer.

(14) Engaging in the replacement or repair of the subject of a consumer transaction if the consumer has not authorized the



1 replacement or repair, and if the supplier knows or should  
2 reasonably know that it is not authorized.

3 (15) The act of misrepresenting the geographic location of the  
4 supplier by listing an alternate business name or an assumed  
5 business name (as described in IC 23-0.5-3-4) in a local telephone  
6 directory if:

7 (A) the name misrepresents the supplier's geographic location;

8 (B) the listing fails to identify the locality and state of the  
9 supplier's business;

10 (C) calls to the local telephone number are routinely forwarded  
11 or otherwise transferred to a supplier's business location that  
12 is outside the calling area covered by the local telephone  
13 directory; and

14 (D) the supplier's business location is located in a county that  
15 is not contiguous to a county in the calling area covered by the  
16 local telephone directory.

17 (16) The act of listing an alternate business name or assumed  
18 business name (as described in IC 23-0.5-3-4) in a directory  
19 assistance data base if:

20 (A) the name misrepresents the supplier's geographic location;

21 (B) calls to the local telephone number are routinely forwarded  
22 or otherwise transferred to a supplier's business location that  
23 is outside the local calling area; and

24 (C) the supplier's business location is located in a county that  
25 is not contiguous to a county in the local calling area.

26 (17) The violation by a supplier of IC 24-3-4 concerning  
27 cigarettes for import or export.

28 (18) The act of a supplier in knowingly selling or reselling a  
29 product to a consumer if the product has been recalled, whether  
30 by the order of a court or a regulatory body, or voluntarily by the  
31 manufacturer, distributor, or retailer, unless the product has been  
32 repaired or modified to correct the defect that was the subject of  
33 the recall.

34 (19) The violation by a supplier of 47 U.S.C. 227, including any  
35 rules or regulations issued under 47 U.S.C. 227.

36 (20) The violation by a supplier of the federal Fair Debt  
37 Collection Practices Act (15 U.S.C. 1692 et seq.), including any  
38 rules or regulations issued under the federal Fair Debt Collection  
39 Practices Act (15 U.S.C. 1692 et seq.).

40 (21) A violation of IC 24-5-7 (concerning health spa services), as  
41 set forth in IC 24-5-7-17.

42 (22) A violation of IC 24-5-8 (concerning business opportunity



transactions), as set forth in IC 24-5-8-20.

(23) A violation of IC 24-5-10 (concerning home consumer transactions), as set forth in IC 24-5-10-18.

(24) A violation of IC 24-5-11 (concerning real property improvement contracts), as set forth in IC 24-5-11-14.

(25) A violation of IC 24-5-12 (concerning telephone solicitations), as set forth in IC 24-5-12-23.

(26) A violation of IC 24-5-13.5 (concerning buyback motor vehicles), as set forth in IC 24-5-13.5-14.

(27) A violation of IC 24-5-14 (concerning automatic dialing-announcing devices), as set forth in IC 24-5-14-13.

(28) A violation of IC 24-5-15 (concerning credit services organizations), as set forth in IC 24-5-15-11.

(29) A violation of IC 24-5-16 (concerning unlawful motor vehicle subleasing), as set forth in IC 24-5-16-18.

(30) A violation of IC 24-5-17 (concerning environmental marketing claims), as set forth in IC 24-5-17-14.

(31) A violation of IC 24-5-19 (concerning deceptive commercial solicitation), as set forth in IC 24-5-19-11.

(32) A violation of IC 24-5-21 (concerning prescription drug discount cards), as set forth in IC 24-5-21-7.

(33) A violation of IC 24-5-23.5-7 (concerning real estate appraisals), as set forth in IC 24-5-23.5-9.

(34) A violation of IC 24-5-26 (concerning identity theft), as set forth in IC 24-5-26-3.

(35) A violation of IC 24-5.5 (concerning mortgage rescue fraud), as set forth in IC 24-5.5-6-1.

(36) A violation of IC 24-8 (concerning promotional gifts and contests), as set forth in IC 24-8-6-3.

(37) A violation of IC 21-18.5-6 (concerning representations made by a postsecondary credit bearing proprietary educational institution), as set forth in IC 21-18.5-6-22.5.

**(38) A violation of IC 32-29.5 (concerning principal dwelling land contracts), as set forth in IC 32-29.5-6-4.**

(c) Any representations on or within a product or its packaging or in advertising or promotional materials which would constitute a deceptive act shall be the deceptive act both of the supplier who places such representation thereon or therein, or who authored such materials, and such other suppliers who shall state orally or in writing that such representation is true if such other supplier shall know or have reason to know that such representation was false.

(d) If a supplier shows by a preponderance of the evidence that an



act resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adopted to avoid the error, such act shall not be deceptive within the meaning of this chapter.

(e) It shall be a defense to any action brought under this chapter that the representation constituting an alleged deceptive act was one made in good faith by the supplier without knowledge of its falsity and in reliance upon the oral or written representations of the manufacturer, the person from whom the supplier acquired the product, any testing organization, or any other person provided that the source thereof is disclosed to the consumer.

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

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

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

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

## **ARTICLE 29.5. PRINCIPAL DWELLING LAND CONTRACTS**

### **Chapter 1. Application**

**Sec. 1. This article applies only to a principal dwelling land contract entered into after June 30, 2019.**

**Sec. 2. (a) This article applies to a seller who, in the ordinary course of the seller's business, sells real property under a principal dwelling land contract.**

**(b) For purposes of subsection (a), a seller is considered to sell real property under a principal dwelling land contract in the ordinary course of the seller's business if the seller, including one (1) or more affiliates of the seller, and whether separately or in**





total, has at least four (4) outstanding land contracts existing at the same time.

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

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

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

(3) Transactions between family members.

## **Chapter 2. Definitions**

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

**Sec. 2. "Affiliate" means any person who directly or indirectly controls, is controlled by, or is under common control of another person.**

**Sec. 3. "Land contract" means a contract for the sale of real estate in which the seller of the real estate retains legal title to the real estate until the total contract price is paid by the buyer.**

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

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

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

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

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

(2) vacant land.

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

**Sec. 1. (a) At least ten (10) days before a principal dwelling land contract is executed by the parties, the seller shall provide the buyer with the following:**

(1) A complete copy of an appraisal performed by a real estate appraiser licensed under IC 25-34.1-3-8 for the real property that has been completed within the previous twelve (12) months.

(2) A complete record of any liens encumbering the property, including any property tax liens or special assessment liens.

(3) The residential real estate disclosure form described in IC 32-21-5-7.

(4) If the real property was constructed before 1978, the lead-based paint disclosure form as required by the federal



**EPA and HUD Real Estate Notification and Disclosure Rule.**

**(5) The annual percentage rate of the principal dwelling land contract:**

**(A) determined under; and**

**(B) disclosed in accordance with;**

**the federal Truth in Lending Act (Regulation Z; 12 CFR 1026.22).**

**(6) A title search under IC 27-7-3-2 and the following statement:**

**"A title insurance policy protects your property rights in the property you are purchasing under this land contract. A title policy may be obtained by contacting a title insurance producer who can provide you with a title commitment that includes instructions on how to obtain a title insurance policy. The title producer must be contacted prior to the signing of the land contract."**

**(7) The following statement, in at least 12 point type:**

**"INDIANA LAW PROVIDES LEGAL PROTECTION TO PERSONS BUYING A HOME UNDER A LAND CONTRACT. IF YOU HAVE EQUITY IN THE HOME AND MISS REQUIRED PAYMENTS, YOU MAY HAVE THE RIGHT TO CURE YOUR DEFAULT BY MAKING UP MISSED PAYMENTS. IN ADDITION, YOU MAY BE PROTECTED AGAINST FORFEITURE AND IMMEDIATE EVICTION, AND YOU MAY HAVE THE RIGHT TO THE RETURN OF SOME OR ALL OF YOUR EQUITY IN THE HOME."**

**(b) The principal dwelling contract shall indicate the date by which the items enumerated in this section were provided to the buyer.**

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

**(1) The annual percentage rate of the loan, calculated in accordance with section 1(a)(5) of this chapter.**

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

**(3) The sales price, address, and legal description of the residential real estate that is the subject of the contract.**

**(4) A statement of the amount of any down payment or**



1 purchase option fee applied to the purchase price, including  
 2 the resulting principal amount remaining to be paid by the  
 3 buyer for the remainder of the contract.

4 (5) The term of the contract expressed in years and months,  
 5 and the total number of periodic payments due under the  
 6 contract.

7 (6) The amount of any balloon payment, and when the balloon  
 8 payment is due.

9 (7) A statement setting forth whether the seller or buyer is  
 10 responsible for paying real estate taxes and insurance with  
 11 respect to the real estate, including the procedures necessary  
 12 for the timely invoicing and payment of those amounts. In any  
 13 case in which responsibility for the payment of real estate  
 14 taxes and insurance with respect to the property is not clearly  
 15 set forth in the contract, the seller:

16 (A) is responsible for paying real estate taxes and  
 17 insurance when due; and

18 (B) may not seek reimbursement for those amounts from  
 19 the buyer.

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

23 (9) Subject to subdivision (7), the amount that will be charged  
 24 periodically, if any, during the first year of the contract to pay  
 25 for insurance.

26 (10) A statement that any amounts listed under subdivision (8)  
 27 or (9) are subject to change each year.

28 (11) A listing of any unpaid amounts owed for real estate taxes  
 29 with respect to the property.

30 (12) The types of insurance coverage, including property  
 31 insurance and title insurance, for the buyer and seller that are  
 32 required under, or are to be provided in connection with, the  
 33 contract.

34 (13) A statement setting forth any repairs the buyer is  
 35 financially responsible for making to the residential real  
 36 estate that is subject to the contract.

37 (14) A statement setting forth any types of alterations to the  
 38 property that must be approved by both the buyer and the  
 39 seller before being made, including any requirements to  
 40 provide evidence of necessary permits, insurance, and lien  
 41 waiver agreements.

42 Sec. 3. All preexisting liens must be satisfied by the seller by the



1 end of the contract term. The payment of liens that arise after the  
 2 execution of the contract shall be determined by the parties and set  
 3 forth in the contract.

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

8 Sec. 5. At the time the parties execute the principal dwelling  
 9 land contract, the seller shall provide the buyer with one (1) copy  
 10 of the executed contract. The principal dwelling land contract  
 11 must:

12 (1) be notarized; and

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

15 Sec. 6. The buyer or seller is not bound by a principal dwelling  
 16 land contract during the three (3) business days immediately  
 17 following the date of execution of the contract in the contract's full  
 18 and final form. At any time during the three (3) day period  
 19 described in this section, the buyer or the seller may deliver to the  
 20 other party a written notice of cancellation that has the legal effect  
 21 of canceling the transaction. If a notice of cancellation is delivered  
 22 by either the buyer or the seller to the other party during the three  
 23 (3) day period described in this section, the following apply:

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

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

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

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

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

37 Sec. 7. The seller shall record the executed principal dwelling  
 38 land contract or memorandum of land contract not later than  
 39 thirty (30) days after the contract or memorandum is executed and  
 40 notarized. The buyer may record the executed and notarized  
 41 contract or memorandum of land contract at any time. The  
 42 recording shall be done in the county where the real property is



1 located.

2       **Sec. 8.** After a principal dwelling land contract is recorded  
 3 under section 7 of this chapter, the seller may transfer the seller's  
 4 interest in the real estate that is the subject of the principal  
 5 dwelling land contract to another person through a recorded deed.  
 6 The interest transferred is subject to the recorded principal  
 7 dwelling land contract. The transferee shall provide to the buyer  
 8 under the principal dwelling land contract written notice of the  
 9 transfer. The notice required by this section shall be provided by  
 10 first class mail and by certified mail, return receipt requested, and  
 11 must include the following:

- 12       (1) A copy of the recorded warranty deed transferring the
- 13       seller's interest in the real estate to the transferee.
- 14       (2) The telephone number of the transferee.
- 15       (3) The address to which payments under the principal
- 16       dwelling land contract must be sent.

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

- 21       (1) interest in the real estate that is the subject of the principal
- 22       dwelling land contract, as of the date of the transfer; and
- 23       (2) rights and obligations under the principal dwelling land
- 24       contract, as of the date of the transfer;

25 to a subsequent buyer.

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

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

- 30       (A) interest in the real estate; and
- 31       (B) rights and obligations under the contract;
- 32       are not transferable or assignable during the term of the
- 33       contract.

- 34       (2) The buyer and seller under the recorded principal
- 35       dwelling land contract must provide the subsequent buyer
- 36       with the following:

- 37       (A) All applicable information, forms, and statements
- 38       required under section 1 of this chapter, current as of the
- 39       date of the transfer. However, the appraisal required
- 40       under section 1(1) of this chapter may be the appraisal
- 41       performed in connection with the recorded principal
- 42       dwelling land contract, unless all parties to the transfer



1 agree to the performance of a new appraisal.

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

4 (3) After the buyer's:

5 (A) interest in the real estate; and

6 (B) rights and obligations under the recorded principal  
7 dwelling land contract;

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

#### 11 Chapter 4. Statement of Account

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

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

16 (2) If applicable, a record of all payments made by the seller  
17 to satisfy any liens, and to whom the payments were made.

18 (3) The payoff amount as of the end of the previous calendar  
19 year.

#### 20 Chapter 5. Buyer Default

21 Sec. 1. If a buyer fails to make a timely payment as required  
22 under a principal dwelling land contract and:

23 (1) has made timely payments under the contract for at least  
24 one (1) year; or

25 (2) the amount of all payments made by the buyer under the  
26 contract, including any down payment or prepayment, is at  
27 least five percent (5%) of the purchase price;

28 the seller shall send the buyer, not later than ten (10) days after the  
29 missed payment, the statement described in section 2 of this  
30 chapter.

31 Sec. 2. (a) A seller shall send a buyer described in section 1 of  
32 this chapter the following notice:

33 "EVEN THOUGH YOU HAVE FAILED TO MAKE A  
34 REQUIRED PAYMENT, INDIANA LAW PROVIDES  
35 LEGAL PROTECTION TO PERSONS BUYING A HOME  
36 UNDER A LAND CONTRACT. BECAUSE OF YOUR  
37 PAYMENT HISTORY OR EQUITY IN THE HOME, YOU  
38 MAY HAVE THE RIGHT TO CURE YOUR DEFAULT BY  
39 MAKING UP MISSED PAYMENTS. IN ADDITION, YOU  
40 MAY BE PROTECTED AGAINST FORFEITURE AND  
41 IMMEDIATE EVICTION, AND YOU MAY HAVE THE  
42 RIGHT TO SOME OR ALL OF YOUR EQUITY IN THE



1       **HOME. YOU SHOULD SEEK LEGAL ADVICE FROM AN**  
 2       **ATTORNEY BEFORE SURRENDERING POSSESSION OF**  
 3       **THE HOME. MANY NONPROFIT ORGANIZATIONS IN**  
 4       **INDIANA PROVIDE FREE LEGAL COUNSEL FOR**  
 5       **PEOPLE IN YOUR SITUATION, INCLUDING INDIANA**  
 6       **LEGAL SERVICES, INC."**

7       (b) The notice described in this section shall be in at least 12  
 8       point type.

9       Sec. 3. If the conditions described in this chapter are met, the  
 10       seller and buyer may execute a notarized release of land contract  
 11       and quitclaim deed from the seller to the buyer. The release of land  
 12       contract and quitclaim deed shall be recorded by the seller not  
 13       later than thirty (30) days after the execution of the release of land  
 14       contract and quitclaim deed.

15       Sec. 4. Forfeiture of possession of the real estate that is the  
 16       subject of a principal dwelling land contract is available as remedy  
 17       to the seller upon any act or omission of the buyer that constitutes  
 18       a default under the terms of the contract only if either or both of  
 19       the following apply:

20       (1) The real estate has been abandoned by the buyer.

21       (2) Both of the following apply:

22       (A) The amount of all payments made by the buyer under  
 23       the contract, including any down payment or prepayment,  
 24       is less than ten percent (10%) of the purchase price.

25       (B) The seller's security interest in the real estate has been  
 26       jeopardized by the acts or omissions of the buyer.

#### 27       Chapter 6. Violations

28       Sec. 1. (a) If a seller fails to make a required preexecution  
 29       disclosure under IC 32-29.5-3-1, the buyer has the right, not later  
 30       than sixty (60) days after the parties execute the principal dwelling  
 31       land contract, to:

32       (1) rescind the contract, subject to subsection (b); or

33       (2) obtain liquidated damages of up to one (1) month's  
 34       payment under the contract.

35       (b) If, at the time a buyer seeks to rescind a principal dwelling  
 36       land contract under subsection (a)(1), the principal dwelling land  
 37       contract has been recorded, the buyer shall:

38       (1) execute a quitclaim deed to the seller with respect to the  
 39       buyer's interest in the real estate as of the date of the  
 40       rescission; and

41       (2) record the quitclaim deed in the county in which the real  
 42       estate is located.



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

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

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

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

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

the buyer is entitled to liquidated damages of up to one (1) month's payment under the contract. If a buyer brings an action under this section and prevails, the court may award the buyer court costs and reasonable attorney's fees.

**Sec. 3. (a) This subsection applies to a contract entered into after June 30, 2019. If a seller prepares a principal dwelling land contract that does not substantially comply with IC 32-29.5-3, the buyer is entitled to:**

(1) liquidated damages of up to one (1) month's payment under the contract; and

(2) a new principal dwelling land contract containing substantially identical terms to the original contract, prepared at the seller's expense, that complies with IC 32-29.5-3.

However, if the seller fails to present the buyer with a new principal dwelling land contract containing substantially identical terms that complies with IC 32-29.5-3 within sixty (60) days of being requested to do so in writing, the buyer is entitled to rescind the principal dwelling land contract, subject to subsection (b).

(b) If, at the time a buyer seeks to rescind a principal dwelling land contract under subsection (a), the principal dwelling land contract has been recorded, the buyer shall:

(1) execute a quitclaim deed to the seller with respect to the buyer's interest in the real estate as of the date of the rescission; and

(2) record the quitclaim deed in the county in which the real estate is located.

The quitclaim deed required under this subsection must contain a cross-reference to the recorded principal dwelling land contract.





1 The seller is responsible for all expenses incurred in the drafting  
 2 and recording of a quitclaim deed required under this subsection.  
 3 However, if the buyer vacates the property and does not execute  
 4 and record a release of the land contract not later than ten (10)  
 5 days after vacating the property, the seller may file an action for  
 6 forfeiture.

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

10 Sec. 4. A violation of this article is an incurable deceptive act  
 11 that is:

12 (1) actionable by the attorney general under IC 24-5-0.5-4(c);  
 13 and

14 (2) subject to the penalties and remedies available to the  
 15 attorney general under IC 24-5-0.5.

#### 16 Chapter 7. Seller Default

##### 17 Sec. 1. (a) If:

18 (1) the buyer has fulfilled the requirements of the principal  
 19 dwelling land contract; and

20 (2) the seller is unable to transfer title to the buyer without  
 21 any assumed liens on the property;

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

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

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

#### 32 Chapter 8. Rulemaking

33 Sec. 1. (a) The attorney general, in consultation with the  
 34 department of financial institutions, may adopt rules under  
 35 IC 4-22-2, including emergency rules adopted in the manner  
 36 provided by IC 4-22-2-37.1, to implement this article.

37 (b) Notwithstanding IC 4-22-2-37.1(g), an emergency rule  
 38 adopted by the attorney general under this section and in the  
 39 manner provided by IC 4-22-2-37.1 expires on the date on which  
 40 a rule that supersedes the emergency rule is adopted by the  
 41 attorney general under IC 4-22-2-24 through IC 4-22-2-36.

42 SECTION 4. An emergency is declared for this act.



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1495, 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 10, delete lines 4 through 42, begin a new paragraph and insert:

"SECTION 2. IC 24-5-0.5-3, AS AMENDED BY P.L.170-2017, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A supplier may not commit an unfair, abusive, or deceptive act, omission, or practice in connection with a consumer transaction. Such an act, omission, or practice by a supplier is a violation of this chapter whether it occurs before, during, or after the transaction. An act, omission, or practice prohibited by this section includes both implicit and explicit misrepresentations.

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

- (1) That such subject of a consumer transaction has sponsorship, approval, performance, characteristics, accessories, uses, or benefits it does not have which the supplier knows or should reasonably know it does not have.
- (2) That such subject of a consumer transaction is of a particular standard, quality, grade, style, or model, if it is not and if the supplier knows or should reasonably know that it is not.
- (3) That such subject of a consumer transaction is new or unused, if it is not and if the supplier knows or should reasonably know that it is not.
- (4) That such subject of a consumer transaction will be supplied to the public in greater quantity than the supplier intends or reasonably expects.
- (5) That replacement or repair constituting the subject of a consumer transaction is needed, if it is not and if the supplier knows or should reasonably know that it is not.
- (6) That a specific price advantage exists as to such subject of a consumer transaction, if it does not and if the supplier knows or should reasonably know that it does not.
- (7) That the supplier has a sponsorship, approval, or affiliation in such consumer transaction the supplier does not have, and which the supplier knows or should reasonably know that the supplier



does not have.

(8) That such consumer transaction involves or does not involve a warranty, a disclaimer of warranties, or other rights, remedies, or obligations, if the representation is false and if the supplier knows or should reasonably know that the representation is false.

(9) That the consumer will receive a rebate, discount, or other benefit as an inducement for entering into a sale or lease in return for giving the supplier the names of prospective consumers or otherwise helping the supplier to enter into other consumer transactions, if earning the benefit, rebate, or discount is contingent upon the occurrence of an event subsequent to the time the consumer agrees to the purchase or lease.

(10) That the supplier is able to deliver or complete the subject of the consumer transaction within a stated period of time, when the supplier knows or should reasonably know the supplier could not. If no time period has been stated by the supplier, there is a presumption that the supplier has represented that the supplier will deliver or complete the subject of the consumer transaction within a reasonable time, according to the course of dealing or the usage of the trade.

(11) That the consumer will be able to purchase the subject of the consumer transaction as advertised by the supplier, if the supplier does not intend to sell it.

(12) That the replacement or repair constituting the subject of a consumer transaction can be made by the supplier for the estimate the supplier gives a customer for the replacement or repair, if the specified work is completed and:

(A) the cost exceeds the estimate by an amount equal to or greater than ten percent (10%) of the estimate;

(B) the supplier did not obtain written permission from the customer to authorize the supplier to complete the work even if the cost would exceed the amounts specified in clause (A);

(C) the total cost for services and parts for a single transaction is more than seven hundred fifty dollars (\$750); and

(D) the supplier knew or reasonably should have known that the cost would exceed the estimate in the amounts specified in clause (A).

(13) That the replacement or repair constituting the subject of a consumer transaction is needed, and that the supplier disposes of the part repaired or replaced earlier than seventy-two (72) hours after both:

(A) the customer has been notified that the work has been



completed; and

(B) the part repaired or replaced has been made available for examination upon the request of the customer.

(14) Engaging in the replacement or repair of the subject of a consumer transaction if the consumer has not authorized the replacement or repair, and if the supplier knows or should reasonably know that it is not authorized.

(15) The act of misrepresenting the geographic location of the supplier by listing an alternate business name or an assumed business name (as described in IC 23-0.5-3-4) in a local telephone directory if:

(A) the name misrepresents the supplier's geographic location;

(B) the listing fails to identify the locality and state of the supplier's business;

(C) calls to the local telephone number are routinely forwarded or otherwise transferred to a supplier's business location that is outside the calling area covered by the local telephone directory; and

(D) the supplier's business location is located in a county that is not contiguous to a county in the calling area covered by the local telephone directory.

(16) The act of listing an alternate business name or assumed business name (as described in IC 23-0.5-3-4) in a directory assistance data base if:

(A) the name misrepresents the supplier's geographic location;

(B) calls to the local telephone number are routinely forwarded or otherwise transferred to a supplier's business location that is outside the local calling area; and

(C) the supplier's business location is located in a county that is not contiguous to a county in the local calling area.

(17) The violation by a supplier of IC 24-3-4 concerning cigarettes for import or export.

(18) The act of a supplier in knowingly selling or reselling a product to a consumer if the product has been recalled, whether by the order of a court or a regulatory body, or voluntarily by the manufacturer, distributor, or retailer, unless the product has been repaired or modified to correct the defect that was the subject of the recall.

(19) The violation by a supplier of 47 U.S.C. 227, including any rules or regulations issued under 47 U.S.C. 227.

(20) The violation by a supplier of the federal Fair Debt Collection Practices Act (15 U.S.C. 1692 et seq.), including any



rules or regulations issued under the federal Fair Debt Collection Practices Act (15 U.S.C. 1692 et seq.).

(21) A violation of IC 24-5-7 (concerning health spa services), as set forth in IC 24-5-7-17.

(22) A violation of IC 24-5-8 (concerning business opportunity transactions), as set forth in IC 24-5-8-20.

(23) A violation of IC 24-5-10 (concerning home consumer transactions), as set forth in IC 24-5-10-18.

(24) A violation of IC 24-5-11 (concerning real property improvement contracts), as set forth in IC 24-5-11-14.

(25) A violation of IC 24-5-12 (concerning telephone solicitations), as set forth in IC 24-5-12-23.

(26) A violation of IC 24-5-13.5 (concerning buyback motor vehicles), as set forth in IC 24-5-13.5-14.

(27) A violation of IC 24-5-14 (concerning automatic dialing-announcing devices), as set forth in IC 24-5-14-13.

(28) A violation of IC 24-5-15 (concerning credit services organizations), as set forth in IC 24-5-15-11.

(29) A violation of IC 24-5-16 (concerning unlawful motor vehicle subleasing), as set forth in IC 24-5-16-18.

(30) A violation of IC 24-5-17 (concerning environmental marketing claims), as set forth in IC 24-5-17-14.

(31) A violation of IC 24-5-19 (concerning deceptive commercial solicitation), as set forth in IC 24-5-19-11.

(32) A violation of IC 24-5-21 (concerning prescription drug discount cards), as set forth in IC 24-5-21-7.

(33) A violation of IC 24-5-23.5-7 (concerning real estate appraisals), as set forth in IC 24-5-23.5-9.

(34) A violation of IC 24-5-26 (concerning identity theft), as set forth in IC 24-5-26-3.

(35) A violation of IC 24-5.5 (concerning mortgage rescue fraud), as set forth in IC 24-5.5-6-1.

(36) A violation of IC 24-8 (concerning promotional gifts and contests), as set forth in IC 24-8-6-3.

(37) A violation of IC 21-18.5-6 (concerning representations made by a postsecondary credit bearing proprietary educational institution), as set forth in IC 21-18.5-6-22.5.

**(38) A violation of IC 32-29.5 (concerning principal dwelling land contracts), as set forth in IC 32-29.5-6-4.**

(c) Any representations on or within a product or its packaging or in advertising or promotional materials which would constitute a deceptive act shall be the deceptive act both of the supplier who places



such representation thereon or therein, or who authored such materials, and such other suppliers who shall state orally or in writing that such representation is true if such other supplier shall know or have reason to know that such representation was false.

(d) If a supplier shows by a preponderance of the evidence that an act resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adopted to avoid the error, such act shall not be deceptive within the meaning of this chapter.

(e) It shall be a defense to any action brought under this chapter that the representation constituting an alleged deceptive act was one made in good faith by the supplier without knowledge of its falsity and in reliance upon the oral or written representations of the manufacturer, the person from whom the supplier acquired the product, any testing organization, or any other person provided that the source thereof is disclosed to the consumer.

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

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

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

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

**ARTICLE 29.5. PRINCIPAL DWELLING LAND CONTRACTS**

**Chapter 1. Application**

**Sec. 1. This article applies only to a principal dwelling land contract entered into after June 30, 2019.**

**Sec. 2. (a) This article applies to a seller who, in the ordinary course of the seller's business, sells real property under a principal**



dwelling land contract.

(b) For purposes of subsection (a), a seller is considered to sell real property under a principal dwelling land contract in the ordinary course of the seller's business if the seller, including one (1) or more affiliates of the seller, and whether separately or in total, has at least four (4) outstanding land contracts existing at the same time.

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

- (1) A depository institution regulated by a state or federal agency, and subsidiaries owned and controlled by the depository institution.
- (2) A first lien mortgage lender licensed under IC 24-4.4, and subsidiaries owned and controlled by the first lien mortgage lender.
- (3) Transactions between family members.

#### **Chapter 2. Definitions**

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

**Sec. 2. "Affiliate" means any person who directly or indirectly controls, is controlled by, or is under common control of another person.**

**Sec. 3. "Land contract" means a contract for the sale of real estate in which the seller of the real estate retains legal title to the real estate until the total contract price is paid by the buyer.**

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

- (1) designed primarily for the occupancy of one (1) to four (4) families; and
  - (2) that is or will be occupied by a buyer as the buyer's principal dwelling.
- (b) The term does not include a land contract for the sale of:**
- (1) more than ten (10) acres of land; or
  - (2) vacant land.

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

**Sec. 1. At least ten (10) days before a principal dwelling land contract is executed by the parties, the seller shall provide the buyer with the following:**

- (1) A complete copy of a Federal Housing Administration (FHA) appraisal for the real property that has been completed within the previous six (6) months.
- (2) A complete record of any liens encumbering the property, including any property tax liens or special assessment liens.



(3) The residential real estate disclosure form described in IC 32-21-5-7.

(4) If the real property was constructed before 1978, the lead-based paint disclosure form as required by the federal EPA and HUD Real Estate Notification and Disclosure Rule.

(5) The annual percentage rate of the principal dwelling land contract:

(A) determined under; and

(B) disclosed in accordance with;

the federal Truth in Lending Act (Regulation Z; 12 CFR 1026.22).

(6) The following statement, in at least 12 point type:

"INDIANA LAW PROVIDES LEGAL PROTECTION TO PERSONS BUYING A HOME UNDER A LAND CONTRACT. IF YOU HAVE EQUITY IN THE HOME AND MISS REQUIRED PAYMENTS, YOU MAY HAVE THE RIGHT TO CURE YOUR DEFAULT BY MAKING UP MISSED PAYMENTS. IN ADDITION, YOU MAY BE PROTECTED AGAINST FORFEITURE AND IMMEDIATE EVICTION, AND YOU MAY HAVE THE RIGHT TO THE RETURN OF SOME OR ALL OF YOUR EQUITY IN THE HOME."

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

(1) The annual percentage rate of the loan, calculated in accordance with section 1(5) of this chapter.

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

(3) The sales price, address, and legal description of the residential real estate that is the subject of the contract.

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

(5) The term of the contract expressed in years and months, and the total number of periodic payments due under the contract.

(6) The amount of any balloon payment, and when the balloon payment is due.





**(7) A statement setting forth whether the seller or buyer is responsible for paying real estate taxes and insurance with respect to the real estate, including the procedures necessary for the timely invoicing and payment of those amounts. In any case in which responsibility for the payment of real estate taxes and insurance with respect to the property is not clearly set forth in the contract, the seller:**

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

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

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

**(9) Subject to subdivision (7), the amount that will be charged periodically, if any, during the first year of the contract to pay for insurance.**

**(10) A statement that any amounts listed under subdivisions (8) or (9) are subject to change each year.**

**(11) A listing of any unpaid amounts owed for real estate taxes with respect to the property.**

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

**(13) A statement setting forth any repairs the buyer is financially responsible for making to the residential real estate that is subject to the contract.**

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

**(15) One (1) of the following:**

**(A) An express written warranty that a municipality or another governmental unit has not issued to:**

**(i) the seller;**

**(ii) the seller's principal; or**

**(iii) the seller's agent;**

**during the five (5) year period immediately preceding the date of execution of the contract, any notice of a dwelling code violation with respect to the real estate.**



**(B) If a notice described in clause (A) has been issued to:**

- (i) the seller;**
- (ii) the seller's principal; or**
- (iii) the seller's agent;**

**during the five (5) year period described in clause (A), a listing of all such notices of violation and a brief statement of the actions taken by the seller to remedy the violations set forth in the notice.**

**Sec. 3. All preexisting liens must be satisfied by the seller by the end of the contract term. The payment of liens that arise after the execution of the contract shall be determined by the parties and set forth in the contract.**

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

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

- (1) be notarized; and**
- (2) conform to the requirements set forth in IC 36-2-11 for the recording of documents.**

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

- (1) The buyer shall, not later than twenty-four (24) hours after receipt or delivery of the notice of cancellation:**
  - (A) surrender possession of the real estate that is the subject of the transaction back to the seller; and**
  - (B) return any keys or other devices that may be used to access the property to the seller or the seller's agent.**
- (2) The seller shall, not later than two (2) business days after being placed back into possession of the real estate, return all monies paid by the buyer, including any down payments, fees, or regular payments made in connection with the transaction.**



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

**Sec. 7.** The seller shall record the executed principal dwelling land contract not later than thirty (30) days after the contract is executed in the county in which the real property is located. The buyer may record the executed contract at any time.

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

- (1) A copy of the recorded warranty deed transferring the seller's interest in the real estate to the transferee.
- (2) The telephone number of the transferee.
- (3) The address to which payments under the principal dwelling land contract must be sent.

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

- (1) interest in the real estate that is the subject of the principal dwelling land contract, as of the date of the transfer; and
- (2) rights and obligations under the principal dwelling land contract, as of the date of the transfer;

to a subsequent buyer.

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

- (1) The recorded principal dwelling land contract must not contain a provision specifying that the buyer's:
  - (A) interest in the real estate; and
  - (B) rights and obligations under the contract;
 are not transferable or assignable during the term of the contract.
- (2) The buyer and seller under the recorded principal dwelling land contract must provide the subsequent buyer with the following:



(A) All applicable information, forms, and statements required under section 1 of this chapter, current as of the date of the transfer. However, the appraisal required under section 1(1) of this chapter may be the appraisal performed in connection with the recorded principal dwelling land contract, unless all parties to the transfer agree to the performance of a new appraisal.

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

(3) After the buyer's:

(A) interest in the real estate; and

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

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

#### **Chapter 4. Statement of Account**

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

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

(2) If applicable, a record of all payments made by the seller to satisfy any liens, and to whom the payments were made.

(3) The payoff amount as of the end of the previous calendar year.

#### **Chapter 5. Buyer Default**

**Sec. 1.** If a buyer fails to make a timely payment as required under a principal dwelling land contract and:

(1) has made timely payments under the contract for at least one (1) year; or

(2) the amount of all payments made by the buyer under the contract, including any down payment or prepayment, is at least five percent (5%) of the purchase price;

the seller shall send the buyer, not later than ten (10) days after the missed payment, the statement described in section 2 of this chapter.

**Sec. 2. (a)** A seller shall send a buyer described in section 1 of this chapter the following notice:

**"EVEN THOUGH YOU HAVE FAILED TO MAKE A REQUIRED PAYMENT, INDIANA LAW PROVIDES LEGAL PROTECTION TO PERSONS BUYING A HOME UNDER A LAND CONTRACT. BECAUSE OF YOUR**



**PAYMENT HISTORY OR EQUITY IN THE HOME, YOU MAY HAVE THE RIGHT TO CURE YOUR DEFAULT BY MAKING UP MISSED PAYMENTS. IN ADDITION, YOU MAY BE PROTECTED AGAINST FORFEITURE AND IMMEDIATE EVICTION, AND YOU MAY HAVE THE RIGHT TO SOME OR ALL OF YOUR EQUITY IN THE HOME. YOU SHOULD SEEK LEGAL ADVICE FROM AN ATTORNEY BEFORE SURRENDERING POSSESSION OF THE HOME. MANY NONPROFIT ORGANIZATIONS IN INDIANA PROVIDE FREE LEGAL COUNSEL FOR PEOPLE IN YOUR SITUATION, INCLUDING INDIANA LEGAL SERVICES, INC."**

**(b) The notice described in this section shall be in at least 12 point type.**

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

- (1) The real estate has been abandoned by the buyer.**
- (2) Both of the following apply:**
  - (A) The amount of all payments made by the buyer under the contract, including any down payment or prepayment, is less than five percent (5%) of the purchase price.**
  - (B) The seller's security interest in the real estate has been jeopardized by the acts or omissions of the buyer.**

#### **Chapter 6. Violations**

**Sec. 1. (a) If a seller fails to make a required preexecution disclosure under IC 32-29.5-3-1, the buyer has the right, not later than sixty (60) days after the parties execute the principal dwelling land contract, to:**

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

**(b) If, at the time a buyer seeks to rescind a principal dwelling land contract under subsection (a)(1), the principal dwelling land contract has been recorded, the buyer shall:**

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



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

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

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

- (1) that substantially complies with IC 32-29.5-4; and
- (2) before March 1 of the year in which it is due;

the buyer is entitled to liquidated damages of up to one (1) month's payment under the contract. If a buyer brings an action under this section and prevails, the court shall award the buyer court costs and reasonable attorney's fees.

**Sec. 3.** (a) This subsection applies to a contract entered into after June 30, 2019. If a seller prepares a principal dwelling land contract that does not substantially comply with IC 32-29.5-3, the buyer is entitled to:

- (1) liquidated damages of up to one (1) month's payment under the contract; and
- (2) a new principal dwelling land contract containing substantially identical terms to the original contract, prepared at the seller's expense, that complies with IC 32-29.5-3.

However, if the seller fails to present the buyer with a new principal dwelling land contract containing substantially identical terms that complies with IC 32-29.5-3 within sixty (60) days of being requested to do so in writing, the buyer is entitled to rescind the principal dwelling land contract, subject to subsection (b).

(b) If, at the time a buyer seeks to rescind a principal dwelling land contract under subsection (a), the principal dwelling land contract has been recorded, the buyer shall:

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

The quitclaim deed required under this subsection must contain a cross-reference to the recorded principal dwelling land contract.



The seller is responsible for all expenses incurred in the drafting and recording of a quitclaim deed required under this subsection. However, if the buyer vacates the property and does not execute and record a release of the land contract not later than ten (10) days after vacating the property, the seller may file an action for forfeiture.

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

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

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

#### **Chapter 7. Seller Default**

**Sec. 1. (a) If:**

- (1) the buyer has fulfilled the requirements of the principal dwelling land contract; and
- (2) the seller is unable to transfer title to the buyer without any liens not assumed by the buyer with respect to the property;

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

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

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

#### **Chapter 8. Rulemaking**

**Sec. 1. (a)** The attorney general, in consultation with the department of financial institutions, may adopt rules under IC 4-22-2, including emergency rules adopted in the manner provided by IC 4-22-2-37.1, to implement this article.

(b) Notwithstanding IC 4-22-2-37.1(g), an emergency rule adopted by the attorney general under this section and in the manner provided by IC 4-22-2-37.1 expires on the date on which a rule that supersedes the emergency rule is adopted by the attorney general under IC 4-22-2-24 through IC 4-22-2-36."



Delete pages 11 through 14.  
 Page 15, delete lines 1 through 15.  
 Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1495 as introduced.)

BURTON

Committee Vote: yeas 8, nays 0.

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#### COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred House Bill No. 1495, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 15, line 22, delete "four (4)" and insert "**two (2)**".

Page 15, line 30, after "1." insert "**(a)**".

Page 15, line 33, delete "a Federal Housing Administration" and insert "**an appraisal performed by a real estate appraiser licensed under IC 25-34.1-3-8**".

Page 15, line 34, delete "(FHA) appraisal".

Page 15, line 35, delete "six (6)" and insert "**twelve (12)**".

Page 16, between lines 6 and 7, begin a new line block indented and insert:

**"(6) A title search under IC 27-7-3-2 and the following statement:**

**"A title insurance policy protects your property rights in the property you are purchasing under this land contract. A title policy may be obtained by contacting a title insurance producer who can provide you with a title commitment that includes instructions on how to obtain a title insurance policy. The title producer must be contacted prior to the signing of the land contract.".**

Page 16, line 7, delete "(6)" and insert "**(7)**".

Page 16, between lines 17 and 18, begin a new paragraph and insert:

**"(b) The principal dwelling contract shall indicate the date by which the items enumerated in this section were provided to the buyer.".**

Page 16, line 21, delete "1(5)" and insert "**1(a)(5)**".

**EH 1495—LS 7396/DI 106**





Page 17, line 13, delete "subdivisions" and insert "**subdivision**".

Page 17, delete lines 29 through 42.

Page 18, delete lines 1 through 3.

Page 18, line 39, after "contract" insert ",".

Page 18, line 42, after "land contract" insert "**or memorandum of land contract**".

Page 18, line 42, delete "the contract is" and insert "**the contract or memorandum is executed and notarized**".

Page 19, line 1, delete "executed in the county in which the real property is located."

Page 19, line 2, after "executed" insert "**and notarized**".

Page 19, line 2, after "contract" insert "**or memorandum of land contract**".

Page 19, line 2, after "time." insert "**The recording shall be done in the county where the real property is located**".

Page 21, between lines 9 and 10, begin a new paragraph and insert:

**"Sec. 3. If the conditions described in this chapter are met, the seller and buyer may execute a notarized release of land contract and quitclaim deed from the seller to the buyer. The release of land contract and quitclaim deed shall be recorded by the seller not later than thirty (30) days after the execution of the release of land contract and quitclaim deed."**

Page 21, line 10, delete "Sec. 3." and insert "**Sec. 4**".

Page 21, line 19, delete "five percent (5%)" and insert "**ten percent (10%)**".

Page 22, line 5, delete "shall" and insert "**may**".

Page 22, line 12, delete "shall" and insert "**may**".

Page 23, line 3, delete "shall" and insert "**may**".

Page 23, line 16, after "any" insert "**assumed**".

Page 23, line 16, delete "not assumed by the buyer with respect to" and insert "**on**".

Page 23, line 21, delete "shall" and insert "**may**".

and when so amended that said bill do pass.

(Reference is to HB 1495 as printed February 19, 2019.)

HEAD, Chairperson

Committee Vote: Yeas 6, Nays 4.

