



February 25, 2014

**ENGROSSED
SENATE BILL No. 111**

DIGEST OF SB 111 (Updated February 25, 2014 11:12 am - DI 92)

Citations Affected: IC 6-1.1.

Synopsis: Soil productivity ratings. Provides that the soil productivity ratings used for the March 1, 2010, assessment of agricultural land must be used for assessment dates occurring after March 1, 2013, until superseded by soil productivity ratings set forth in an administrative rule adopted by the department of local government finance (DLGF). Specifies information that the DLGF may consider in adopting soil productivity ratings by rule.

Effective: January 1, 2014 (retroactive).

**Leising, Hershman, Eckerty,
Walker, Charbonneau, Waterman,
Tomes, Grooms, Skinner, Kruse**

(HOUSE SPONSORS — LEHE, CHERRY, FRYE R)

January 8, 2014, read first time and referred to Committee on Appropriations.
January 16, 2014, reported favorably — Do Pass.
January 21, 2014, read second time, ordered engrossed. Engrossed.
January 23, 2014, read third time, passed. Yeas 48, nays 0.

HOUSE ACTION

February 4, 2014, read first time and referred to Committee on Ways and Means.
February 25, 2014, amended, reported — Do Pass.

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February 25, 2014

Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

ENGROSSED SENATE BILL No. 111

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

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

1 SECTION 1. IC 6-1.1-4-13, AS AMENDED BY P.L.1-2013,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2014]: Sec. 13. (a) In assessing or reassessing land, the land
4 shall be assessed as agricultural land only when it is devoted to
5 agricultural use.
6 (b) The department of local government finance shall give written
7 notice to each county assessor of:
8 (1) the availability of the United States Department of
9 Agriculture's soil survey ~~data~~; **maps**; and
10 (2) the appropriate soil productivity ~~factor~~ **rating** for each type or
11 classification of soil ~~shown on the United States Department of~~
12 ~~Agriculture's soil survey map~~; **set forth in a rule adopted by the**
13 **department of local government finance under subsection**
14 **(c)(1).**
15 All assessing officials and the property tax assessment board of appeals
16 shall use the data in determining the true tax value of agricultural land.

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1 However, notwithstanding the availability of new soil productivity
 2 factors and the department of local government finance's notice of the
 3 appropriate soil productivity factor for each type or classification of
 4 soil shown on the United States Department of Agriculture's soil survey
 5 map for the March 1, 2012, assessment date, the soil productivity
 6 factors used for the March 1, 2011, assessment date shall be used for
 7 the March 1, 2012, assessment date, and for the March 1, 2013,
 8 assessment date. New soil productivity factors shall be used for
 9 assessment dates occurring after March 1, 2013.

10 (c) **Notwithstanding any law or executive order to the contrary,**
 11 **the department of local government finance shall by rule adopt rules**
 12 **under IC 4-22-2 to:**

- 13 (1) **develop soil productivity ratings; and**
 14 (2) **provide for the method for determining the true tax value of**
 15 **each parcel of agricultural land.**

16 (d) **The department of local government finance may consider**
 17 **the following when developing soil productivity ratings in a rule**
 18 **required by subsection (c)(1):**

- 19 (1) **Information provided to the department by the Purdue**
 20 **University School of Agriculture.**
 21 (2) **Soil survey maps produced by the Natural Resource and**
 22 **Conservation Service of the United States Department of**
 23 **Agriculture.**
 24 (3) **Any other information considered relevant by the**
 25 **department of local government finance.**

26 (e) **The soil productivity factors used for the March 1, 2010,**
 27 **assessment date must be used for assessment dates occurring after**
 28 **March 1, 2013, until superseded by soil productivity ratings**
 29 **adopted by rule under subsection (c)(1). Soil productivity ratings**
 30 **developed under subsection (c)(1) remain in effect until superseded**
 31 **by soil productivity ratings adopted by the department of local**
 32 **government finance in a subsequent rule.**

33 (f) **All assessing officials and the property tax assessment board**
 34 **of appeals shall use the data developed under this section in**
 35 **determining the true tax value of agricultural land.**

36 ~~(d)~~ (g) **This section does not apply to land purchased for industrial,**
 37 **commercial, or residential uses.**



COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 111, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 111 as introduced.)

Committee Vote: Yeas 9, Nays 0

Senator Kenley, Chairperson

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 111, 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 1, delete lines 1 through 16, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-4-13, AS AMENDED BY P.L.1-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 13. (a) In assessing or reassessing land, the land shall be assessed as agricultural land only when it is devoted to agricultural use.

(b) The department of local government finance shall give written notice to each county assessor of:

- (1) the availability of the United States Department of Agriculture's soil survey ~~data~~; **maps**; and
- (2) the appropriate soil productivity ~~factor~~ **rating** for each type or classification of soil ~~shown on the United States Department of Agriculture's soil survey map~~. **set forth in a rule adopted by the department of local government finance under subsection (c)(1).**

~~All assessing officials and the property tax assessment board of appeals shall use the data in determining the true tax value of agricultural land. However, notwithstanding the availability of new soil productivity factors and the department of local government finance's notice of the appropriate soil productivity factor for each type or classification of soil shown on the United States Department of Agriculture's soil survey map for the March 1, 2012, assessment date, the soil productivity factors used for the March 1, 2011, assessment date shall be used for the March 1, 2012, assessment date, and for the March 1, 2013,~~

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assessment date. New soil productivity factors shall be used for assessment dates occurring after March 1, 2013.

(c) **Notwithstanding any law or executive order to the contrary,** the department of local government finance shall ~~by rule~~ **adopt rules under IC 4-22-2 to:**

- (1) **develop soil productivity ratings; and**
- (2) **provide for the method for determining the true tax value of each parcel of agricultural land.**

(d) **The department of local government finance may consider the following when developing soil productivity ratings in a rule required by subsection (c)(1):**

- (1) **Information provided to the department by the Purdue University School of Agriculture.**
- (2) **Soil survey maps produced by the Natural Resource and Conservation Service of the United States Department of Agriculture.**
- (3) **Any other information considered relevant by the department of local government finance.**

(e) **The soil productivity factors used for the March 1, 2010, assessment date must be used for assessment dates occurring after March 1, 2013, until superseded by soil productivity ratings adopted by rule under subsection (c)(1). Soil productivity ratings developed under subsection (c)(1) remain in effect until superseded by soil productivity ratings adopted by the department of local government finance in a subsequent rule.**

(f) **All assessing officials and the property tax assessment board of appeals shall use the data developed under this section in determining the true tax value of agricultural land.**

~~(g)~~ (g) **This section does not apply to land purchased for industrial, commercial, or residential uses."**

Delete page 2.

and when so amended that said bill do pass.

(Reference is to SB 111 as printed January 17, 2014.)

BROWN T, Chair

Committee Vote: yeas 18, nays 0.

