



Reprinted
February 2, 2024

SENATE BILL No. 147

DIGEST OF SB 147 (Updated February 1, 2024 3:16 pm - DI 119)

Citations Affected: IC 6-1.1; IC 12-8; noncode.

Synopsis: Child care property tax exemption and evaluation. Amends the property tax exemption for property used by a for-profit provider of early childhood education, including by requiring the provider to offer age appropriate curriculum and by excluding from the exemption tangible property that has been granted a homestead standard deduction. Provides a partial property tax exemption for an employer that provides child care on the employer's property for the employer's employees, and for the employees of another business if the employer and the other business enter into an agreement that outlines the terms under which the child care is to be provided. Specifies the conditions that must be met to obtain the partial property tax exemption. Requires the office of the secretary of family and social services, in consultation with the early learning advisory committee, to: (1) evaluate and make recommendations; and (2) submit a report; regarding child care.

Effective: July 1, 2024; January 1, 2025.

**Rogers, Holdman, Charbonneau,
Niemeyer, Walker G, Walker K,
Randolph Lonnie M, Doriot**

January 8, 2024, read first time and referred to Committee on Tax and Fiscal Policy.
January 30, 2024, amended, reported favorably — Do Pass.
February 1, 2024, read second time, amended, ordered engrossed.

SB 147—LS 6737/DI 152



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

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2023 Regular Session of the General Assembly.

SENATE BILL No. 147

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

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

- 1 SECTION 1. IC 6-1.1-10-16, AS AMENDED BY P.L.85-2019,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2025]: Sec. 16. (a) All or part of a building is exempt
4 from property taxation if it is owned, occupied, and used by a person
5 for educational, literary, scientific, religious, or charitable purposes.
6 (b) A building is exempt from property taxation if it is owned,
7 occupied, and used by a town, city, township, or county for educational,
8 literary, scientific, fraternal, or charitable purposes.
9 (c) A tract of land, including the campus and athletic grounds of an
10 educational institution, is exempt from property taxation if:
11 (1) a building that is exempt under subsection (a) or (b) is situated
12 on it;
13 (2) a parking lot or structure that serves a building referred to in
14 subdivision (1) is situated on it; or
15 (3) the tract:
16 (A) is owned by a nonprofit entity established for the purpose
17 of retaining and preserving land and water for their natural

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- 1 characteristics;
- 2 (B) does not exceed five hundred (500) acres; and
- 3 (C) is not used by the nonprofit entity to make a profit.
- 4 (d) A tract of land is exempt from property taxation if:
- 5 (1) it is purchased for the purpose of erecting a building that is to
- 6 be owned, occupied, and used in such a manner that the building
- 7 will be exempt under subsection (a) or (b); and
- 8 (2) not more than four (4) years after the property is purchased,
- 9 and for each year after the four (4) year period, the owner
- 10 demonstrates substantial progress and active pursuit towards the
- 11 erection of the intended building and use of the tract for the
- 12 exempt purpose. To establish substantial progress and active
- 13 pursuit under this subdivision, the owner must prove the existence
- 14 of factors such as the following:
- 15 (A) Organization of and activity by a building committee or
- 16 other oversight group.
- 17 (B) Completion and filing of building plans with the
- 18 appropriate local government authority.
- 19 (C) Cash reserves dedicated to the project of a sufficient
- 20 amount to lead a reasonable individual to believe the actual
- 21 construction can and will begin within four (4) years.
- 22 (D) The breaking of ground and the beginning of actual
- 23 construction.
- 24 (E) Any other factor that would lead a reasonable individual to
- 25 believe that construction of the building is an active plan and
- 26 that the building is capable of being completed within eight (8)
- 27 years considering the circumstances of the owner.
- 28 If the owner of the property sells, leases, or otherwise transfers a tract
- 29 of land that is exempt under this subsection, the owner is liable for the
- 30 property taxes that were not imposed upon the tract of land during the
- 31 period beginning January 1 of the fourth year following the purchase
- 32 of the property and ending on December 31 of the year of the sale,
- 33 lease, or transfer. The county auditor of the county in which the tract
- 34 of land is located may establish an installment plan for the repayment
- 35 of taxes due under this subsection. The plan established by the county
- 36 auditor may allow the repayment of the taxes over a period of years
- 37 equal to the number of years for which property taxes must be repaid
- 38 under this subsection.
- 39 (e) Personal property is exempt from property taxation if it is owned
- 40 and used in such a manner that it would be exempt under subsection (a)
- 41 or (b) if it were a building.
- 42 (f) A hospital's property that is exempt from property taxation under



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

5 (g) Property owned by a shared hospital services organization that
 6 is exempt from federal income taxation under Section 501(c)(3) or
 7 501(e) of the Internal Revenue Code is exempt from property taxation
 8 if it is owned, occupied, and used exclusively to furnish goods or
 9 services to a hospital whose property is exempt from property taxation
 10 under subsection (a), (b), or (e).

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

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

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

27 (i) A tract of land or a tract of land plus all or part of a structure on
 28 the land is exempt from property taxation if:

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

41 (j) An exemption under subsection (i) terminates when the property
 42 is conveyed by the nonprofit organization to another owner.



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

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

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

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

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

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

20 the person receiving the exemption shall notify the county recorder and
 21 the county auditor of the county in which the property is located not
 22 later than sixty (60) days after the event described in subdivision (1) or
 23 (2) occurs. The county auditor shall immediately inform the county
 24 assessor of a notification received under this subsection.

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

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

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

33 (n) The liability imposed by subsection (m) is a lien upon the
 34 property receiving the exemption under subsection (i). An amount
 35 collected under subsection (m) shall be collected as an excess levy. If
 36 the amount is not paid, it shall be collected in the same manner that
 37 delinquent taxes on real property are collected.

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

40 (p) **Property used by** a for-profit provider of early childhood
 41 education services to children who are ~~at least four (4)~~ but less than six
 42 (6) years of age on the annual assessment date may receive the



1 exemption provided by this section for property used for educational
 2 purposes only if all the requirements of section 46 of this chapter are
 3 satisfied. ~~A for-profit provider of early childhood education services~~
 4 ~~that provides the services only to children younger than four (4) years~~
 5 ~~of age may not receive the exemption provided by this section for~~
 6 ~~property used for educational purposes:~~

7 SECTION 2. IC 6-1.1-10-46, AS AMENDED BY P.L.130-2018,
 8 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 2025]: Sec. 46. (a) Tangible property owned, occupied,
 10 or used by a for-profit provider of early childhood education services
 11 to children who are ~~at least four (4) but~~ less than six (6) years of age is
 12 exempt from property taxation under section 16 of this chapter only if
 13 all the following requirements are satisfied:

14 ~~(1) The primary purpose of the provider is educational.~~

15 ~~(2) (1) The provider, or a parent company, subsidiary, or~~
 16 ~~affiliate company of the provider, is the property owner. and~~

17 ~~(2) The provider also~~ predominantly occupies and uses the
 18 tangible property for providing early childhood education services
 19 to children who are ~~at least four (4) but~~ less than six (6) years of
 20 age.

21 (3) The provider meets the standards of quality recognized by a
 22 Level 3 or Level 4 Paths to QUALITY program rating under
 23 IC 12-17.2-2-14.2 or has a comparable rating from a nationally
 24 recognized accrediting body.

25 **(4) The provider offers age appropriate curriculum for all**
 26 **children who are less than six (6) years of age, including**
 27 **infants, who attend the child care facility. The curriculum**
 28 **offered must include reading to the children.**

29 **However, the exemption provided by this section does not apply to**
 30 **tangible property that has been granted a homestead standard**
 31 **deduction under IC 6-1.1-12-37.**

32 ~~If the property owner provides early childhood education services to~~
 33 ~~children who are at least four (4) but less than six (6) years of age and~~
 34 ~~to children younger than four (4) years of age, the amount of the~~
 35 ~~exemption must be on that part of the assessment of the property that~~
 36 ~~bears the same proportion to the total assessment of the property as the~~
 37 ~~percentage of the property owner's enrollment count of children who~~
 38 ~~are at least four (4) but less than six (6) years of age compared to the~~
 39 ~~property owner's total enrollment count of children of all ages:~~

40 (b) For purposes of this section, the annual assessment date or, if the
 41 annual assessment date is not a business day for the ~~property owner,~~
 42 **provider**, the business day closest to the annual assessment date, must



1 be used for the enrollment count under this section. However, a
 2 ~~property owner~~ **provider** that believes that the enrollment count on this
 3 date for a particular year does not accurately represent the ~~property~~
 4 ~~owner's~~ **provider's** normal enrollment count for that year may appeal
 5 to the county assessor for a change in the date to be used under this
 6 section for that year. The appeal must be filed on or before the deadline
 7 for filing an exemption under section 16 of this chapter. If the county
 8 assessor finds that the ~~property owner's~~ **provider's** appeal substantiates
 9 that the ~~property owner's~~ **provider's** normal enrollment count is not
 10 accurately represented by using the required date, the assessor shall
 11 establish an alternate date to be used for that year that represents the
 12 ~~property owner's~~ **provider's** normal enrollment count for that year.

13 SECTION 3. IC 6-1.1-10-51 IS ADDED TO THE INDIANA CODE
 14 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
 15 JANUARY 1, 2025]: **Sec. 51. (a) As used in this section, "child**
 16 **care" has the meaning set forth in IC 12-7-2-28.2.**

17 **(b) As used in this section, "early learning advisory committee"**
 18 **refers to the early learning advisory committee established by**
 19 **IC 12-17.2-3.8-5.**

20 **(c) As used in this section, "employer" means any person,**
 21 **corporation, limited liability company, partnership, or other entity**
 22 **with employees employed at a physical location in Indiana. The**
 23 **term includes a pass through entity. However, the term does not**
 24 **include an employer who is in the business of operating a child care**
 25 **facility.**

26 **(d) As used in this section, "office" refers to the office of the**
 27 **secretary of family and social services established by IC 12-8-1.5-1.**

28 **(e) The part of the gross assessed value of tangible property that**
 29 **is attributable to tangible property owned and used by an**
 30 **employer, or a parent company, subsidiary, or affiliate company**
 31 **of an employer, to provide child care for children of the employer's**
 32 **employees and children of the employees of another business in**
 33 **accordance with an agreement entered into under subsection (g) is**
 34 **exempt from property taxation if the following conditions are met:**

35 **(1) The child care is provided in a facility located on the**
 36 **employer's property.**

37 **(2) Subject to subsection (g), the child care is provided only**
 38 **for children of the employer's employees.**

39 **(3) The child care facility is licensed by the division of family**
 40 **resources under IC 12-17.2.**

41 **(4) The part of the employer's property used to provide child**
 42 **care must meet standards established by the office and the**



- 1 early learning advisory committee for the number of children
2 to be served by the child care facility.
- 3 **(f) The child care facility may be operated by the employer or**
4 **under a contract described in Section 45F(c)(1)(A)(iii) of the**
5 **Internal Revenue Code to provide child care services to the**
6 **employer's employees.**
- 7 **(g) An employer may provide child care in a facility described**
8 **in subsection (e)(1) for the children of the employees of another**
9 **business if the employer and the other business enter into an**
10 **agreement that outlines the terms under which the child care is to**
11 **be provided to the children of the employees of the other business.**
- 12 SECTION 4. IC 12-8-1.5-21 IS ADDED TO THE INDIANA CODE
13 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
14 1, 2024]: **Sec. 21. (a) As used in this section, "child care" has the**
15 **meaning set forth in IC 12-7-2-28.2.**
- 16 **(b) The office of the secretary of family and social services shall,**
17 **in consultation with the early learning advisory committee**
18 **established by IC 12-17.2-3.8-5, do the following:**
- 19 **(1) Evaluate the following:**
- 20 **(A) Current child care licensing requirements under**
21 **IC 12-17.2.**
- 22 **(B) Licensure exemptions available under IC 12-17.2-2-8.**
- 23 **(2) Prepare a report that includes the following:**
- 24 **(A) Information concerning the evaluation under**
25 **subdivision (1).**
- 26 **(B) Recommendations to:**
- 27 **(i) replace the current child care licensing requirements**
28 **under IC 12-17.2 with requirements that would apply to**
29 **all individuals or entities providing child care and that**
30 **focus on the basic health and safety of children; and**
31 **(ii) simplify the paths to QUALITY requirements,**
32 **focusing on best practices and evidence based**
33 **requirements.**
- 34 **(3) Not later than October 31, 2024, submit the report**
35 **prepared under subdivision (2) to the general assembly in an**
36 **electronic format under IC 5-14-6.**
- 37 **(c) This section expires July 1, 2025.**
- 38 SECTION 5. [EFFECTIVE JULY 1, 2024] **(a) IC 6-1.1-10-16 and**
39 **IC 6-1.1-10-46, both as amended by this act, apply to assessment**
40 **dates after December 31, 2024.**
- 41 **(b) IC 6-1.1-10-51, as added by this act, applies to assessment**
42 **dates after December 31, 2024.**



1 **(c) This SECTION expires July 1, 2027.**



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 147, 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 5, line 22, delete "Level 2,".

Page 5, line 22, after "Level 3" delete ",,".

Page 5, between lines 24 and 25, begin a new line block indented and insert:

"(4) The provider offers age appropriate curriculum for all children who are less than six (6) years of age, including infants, who attend the child care facility. The curriculum offered must include reading to the children.

However, the exemption provided by this section does not apply to tangible property that has been granted a homestead standard deduction under IC 6-1.1-12-37."

Page 6, between lines 9 and 10, begin a new paragraph and insert:

"(b) As used in this section, "early learning advisory committee" refers to the early learning advisory committee established by IC 12-17.2-3.8-5."

Page 6, line 10, delete "(b)" and insert "(c)".

Page 6, delete lines 16 through 27, begin a new paragraph and insert:

"(d) As used in this section, "office" refers to the office of the secretary of family and social services established by IC 12-8-1.5-1.

(e) The part of the gross assessed value of tangible property that is attributable to tangible property owned and used by an employer, or a parent company, subsidiary, or affiliate company of an employer, to provide child care for children of the employer's employees and children of the employees of another business in accordance with an agreement entered into under subsection (g) is exempt from property taxation if the following conditions are met:

(1) The child care is provided in a facility located on the employer's property.

(2) Subject to subsection (g), the child care is provided only for children of the employer's employees.

(3) The child care facility is licensed by the division of family resources under IC 12-17.2.

(4) The part of the employer's property used to provide child care must meet standards established by the office and the early learning advisory committee for the number of children to be served by the child care facility."



Page 6, line 28, delete "(d)" and insert "(f)".

Page 6, between lines 31 and 32, begin a new paragraph and insert:

"(g) An employer may provide child care in a facility described in subsection (e)(1) for the children of the employees of another business if the employer and the other business enter into an agreement that outlines the terms under which the child care is to be provided to the children of the employees of the other business."

and when so amended that said bill do pass.

(Reference is to SB 147 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 9, Nays 4.

SENATE MOTION

Madam President: I move that Senate Bill 147 be amended to read as follows:

Page 7, line 12, delete "IC 12-8-1.5-20" and insert "IC 12-8-1.5-21".

Page 7, line 14, delete "20." and insert "**21.**".

(Reference is to SB 147 as printed January 31, 2024.)

ROGERS

