

# SENATE BILL No. 207

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-4-47.

**Synopsis:** Assessment of community land trust property. Provides for the true tax value of land and improvements in a community land trust for purposes of property tax assessment.

**Effective:** July 1, 2024.

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January 9, 2024, read first time and referred to Committee on Tax and Fiscal Policy.

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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. 207



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 6-1.1-4-47 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2024]: **Sec. 47. (a) This section applies to assessment dates**
- 4 **occurring after December 31, 2024.**
- 5 **(b) As used in this section, "affordability restrictions" means**
- 6 **restrictions set forth in a ground lease concerning the future sale**
- 7 **or transfer of the community land trust improvement owned by a**
- 8 **qualified owner intended to maintain the continued affordability**
- 9 **of the community land trust improvement, including at least the**
- 10 **following:**
- 11 **(1) The community land trust improvement may only be sold**
- 12 **to another qualified owner who intends to:**
- 13 **(A) use the community land trust improvement as the**
- 14 **qualified owner's primary place of residence; and**
- 15 **(B) enter into a ground lease with the community land**
- 16 **trust.**
- 17 **(2) A formula to be used to calculate the sale or transfer price**



- 1           that preserves the continued affordability of the community  
2           land trust improvement.
- 3           **(3) A purchase option for the community land trust intended**  
4           **to preserve the continued affordability of the community land**  
5           **trust improvement.**
- 6           **(c) As used in this section, "community land trust" means a**  
7           **nonprofit corporation that meets the following requirements:**
- 8               **(1) The nonprofit corporation is exempt from taxation under**  
9               **Section 501(c)(3) of the Internal Revenue Code.**
- 10              **(2) The primary purpose of the nonprofit corporation is the**  
11              **creation and maintenance of permanently affordable single**  
12              **family or multi-family residences.**
- 13              **(3) The nonprofit corporation leases community land trust**  
14              **land on which a community land trust improvement is located**  
15              **to a qualified owner under a ground lease that provides for**  
16              **the qualified owner's use of the community land trust**  
17              **improvement as the qualified owner's primary place of**  
18              **residence.**
- 19           **(d) As used in this section, "community land trust**  
20           **improvement" means a dwelling unit and associated improvements**  
21           **located on community land trust land that is occupied by a**  
22           **qualified owner as the qualified owner's primary place of residence**  
23           **according to the terms of a ground lease.**
- 24           **(e) As used in this section, "community land trust land" means**  
25           **land owned by a community land trust for the purposes described**  
26           **in subsection (c)(2) and (c)(3).**
- 27           **(f) As used in this section, "ground lease" means a lease entered**  
28           **into between a community land trust as lessor and a qualified**  
29           **owner as lessee that allows the qualified owner to occupy a**  
30           **community land trust improvement located on community land**  
31           **trust land and includes at least the following:**
- 32               **(1) Affordability restrictions.**
- 33               **(2) The initial appraised value of the community land trust**  
34               **improvement at the time the lease is entered into, or at the**  
35               **time otherwise specified.**
- 36               **(3) The monthly fee, if any, that the qualified owner must pay**  
37               **to the community land trust for use of the community land**  
38               **trust land. However, the fee considered under this subdivision**  
39               **does not include property tax payments, inspection fees,**  
40               **mortgages, or insurance escrow payments.**
- 41               **(4) A term of ninety-nine (99) years, with some provision for**  
42               **renewal.**



1           (g) As used in this section, "qualified owner" means an  
2 individual who is a member of a household with annual household  
3 income in an amount that is not more than eighty percent (80%) of  
4 the median household income in the community land trust land's  
5 surrounding area, as determined according to the median  
6 household income amounts published by the United States  
7 Department of Housing and Urban Development at the time the  
8 ground lease is entered into.

9           (h) The true tax value of community land trust land in an  
10 assessment year is the present value of the long term revenue that  
11 will be received from any fee described in subsection (f)(3).

12           (i) The true tax value of a community land trust improvement  
13 in an assessment year that occurs in the first year of a ground lease  
14 to which the community land trust improvement is subject is the  
15 purchase price of the community land trust improvement that was  
16 paid by the owner of the community land trust improvement.

17           (j) For purposes of making a reassessment of a community land  
18 trust improvement under section 4.2 of this chapter or an annual  
19 adjustment under section 4.5 of this chapter, the true tax value of  
20 a community land trust improvement after the initial assessment  
21 under subsection (i) may not exceed an amount equal to the  
22 amount of the resale price as determined under the resale formula  
23 price amount for the community land trust improvement as set  
24 forth in the affordability restrictions of the ground lease to which  
25 the community land trust improvement is subject.

