



February 4, 2015

SENATE BILL No. 405

DIGEST OF SB 405 (Updated February 2, 2015 1:01 pm - DI 92)

Citations Affected: IC 6-1.1.

Synopsis: Assessment of agricultural land. Provides that the soil productivity factors used for the March 1, 2011, assessment of agricultural land must be used for assessment dates occurring after March 1, 2014, unless and until new soil productivity factors are approved in a statute enacted by the general assembly. Specifies the manner in which the department of local government finance (DLGF) shall adopt rules to provide a method for determining the true tax value of agricultural land. Provides that the method in effect for the 2014 assessment date must be used until superseded by a method provided in rules adopted by the DLGF. Provides that the rules do not apply to a particular assessment date unless the rules take effect at least 120 days before that assessment date. Provides that an assessing official may not reclassify a taxpayer's parcel of agricultural land as excess residential land unless the assessing official provides the taxpayer with
(Continued next page)

Effective: January 1, 2015 (retroactive).

**Leising, Glick, Raatz, Steele, Tomes,
Messmer, Crider, Perfect**

January 12, 2015, read first time and referred to Committee on Agriculture.
February 3, 2015, amended, reported favorably — Do Pass; reassigned to Committee on Tax & Fiscal Policy.

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Digest Continued

written notice of the change in classification at least one hundred eighty (180) days before the assessment date. Requires the property tax assessment board of appeals to conduct a hearing on the proposed reclassification upon the request of the taxpayer. Provides that if the assessing official proves by a preponderance of the evidence that: (1) the taxpayer's land has been subdivided into lots; or (2) the taxpayer's use of the parcel has changed; so that the parcel is not eligible for assessment as agricultural land, the property tax assessment board of appeals shall approve the reclassification of the taxpayer's parcel. Provides that for purposes of the 2015 assessment date, the statewide agricultural land base rate value per acre used to determine the value of agricultural land is \$2,050.

SB 405—LS 6603/DI 92



February 4, 2015

First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 405

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.85-2014,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2015 (RETROACTIVE)]: Sec. 13. (a) In assessing or
4 reassessing land, the land shall be assessed as agricultural land only
5 when it is devoted to 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; and
10 (2) the appropriate soil productivity factor for each type or
11 classification of soil shown on the United States Department of
12 Agriculture's soil survey map.
13 All assessing officials and the property tax assessment board of appeals
14 shall use the data in determining the true tax value of agricultural land.
15 However, notwithstanding the availability of new soil productivity
16 factors and the department of local government finance's notice of the

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1 appropriate soil productivity factor for each type or classification of
 2 soil shown on the United States Department of Agriculture's soil survey
 3 map for the March 1, 2012, assessment date; The soil productivity
 4 factors used for the March 1, 2011, assessment date shall be used for
 5 the March 1, 2012, assessment date, the March 1, 2013, assessment
 6 date, and the March 1, 2014, assessment date, New soil productivity
 7 factors shall be used for assessment dates occurring after March 1,
 8 2014, and for each assessment date thereafter, unless and until new
 9 soil productivity factors are approved in a statute enacted by the
 10 general assembly.

11 (c) **The method of determining the true tax value of agricultural**
 12 **land applicable to the March 1, 2014, assessment date remains in**
 13 **effect until superseded by a method provided in rules adopted**
 14 **under this subsection. Notwithstanding any law or executive order**
 15 **to the contrary, the department of local government finance shall by**
 16 **rule adopt rules under IC 4-22-2 to provide for the method for**
 17 **determining the true tax value of each parcel of agricultural land. Rules**
 18 **adopted under this subsection do not apply to a particular**
 19 **assessment date unless the rules take effect at least one hundred**
 20 **twenty (120) days before that assessment date.**

21 (d) This section does not apply to land purchased for industrial,
 22 commercial, or residential uses.

23 (e) **An assessing official may not reclassify a taxpayer's parcel**
 24 **of agricultural land as excess residential land unless the assessing**
 25 **official provides the taxpayer with written notice of the change in**
 26 **classification at least one hundred eighty (180) days before the**
 27 **assessment date. Upon the request of the taxpayer, the property tax**
 28 **assessment board of appeals for the county in which the parcel is**
 29 **located shall conduct a hearing on the proposed change in**
 30 **classification. If the assessing official proves by a preponderance**
 31 **of the evidence that:**

32 (1) the taxpayer's land has been subdivided into lots; or

33 (2) the taxpayer's use of the parcel has changed;

34 so that the parcel is not eligible for assessment as agricultural land,
 35 the property tax assessment board of appeals shall approve the
 36 reclassification of the taxpayer's parcel.

37 SECTION 2. IC 6-1.1-4-13.2 IS ADDED TO THE INDIANA
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS
 39 [EFFECTIVE JANUARY 1, 2015 (RETROACTIVE)]: **Sec. 13.2. (a)**
 40 **Notwithstanding the provisions of this chapter and any real**
 41 **property assessment guidelines of the department of local**
 42 **government finance, for the property tax assessment of**



1 **agricultural land for the assessment date in 2015, the statewide**
2 **agricultural land base rate value per acre used to determine the**
3 **value of agricultural land is two thousand fifty dollars (\$2,050),**
4 **and this amount shall be substituted for any agricultural land base**
5 **rate value included in the Real Property Assessment Guidelines or**
6 **any other guidelines of the department of local government finance**
7 **that apply for those assessment dates.**

8 **(b) This section expires January 1, 2017.**

9 **SECTION 3. An emergency is declared for this act.**



COMMITTEE REPORT

Madam President: The Senate Committee on Agriculture, to which was referred Senate Bill No. 405, 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 2, line 8, delete "thereafter. All assessing" and insert **"thereafter, unless and until new soil productivity factors are approved in a statute enacted by the general assembly."**

Page 2, delete lines 9 through 11.

Page 2, delete lines 24 through 34, begin a new paragraph and insert:

"(e) An assessing official may not reclassify a taxpayer's parcel of agricultural land as excess residential land unless the assessing official provides the taxpayer with written notice of the change in classification at least one hundred eighty (180) days before the assessment date. Upon the request of the taxpayer, the property tax assessment board of appeals for the county in which the parcel is located shall conduct a hearing on the proposed change in classification. If the assessing official proves by a preponderance of the evidence that:

(1) the taxpayer's land has been subdivided into lots; or

(2) the taxpayer's use of the parcel has changed;

so that the parcel is not eligible for assessment as agricultural land, the property tax assessment board of appeals shall approve the reclassification of the taxpayer's parcel."

Page 3, line 6, delete "2018." and insert **"2017."**

and when so amended that said bill do pass and be reassigned to the Senate Committee on Tax and Fiscal Policy.

(Reference is to SB 405 as introduced.)

LEISING, Chairperson

Committee Vote: Yeas 6, Nays 0.

