



February 19, 2019

HOUSE BILL No. 1495

DIGEST OF HB 1495 (Updated February 19, 2019 1:38 pm - DI 101)

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 four 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 the following at least 10 days before the contract is executed: (1) An FHA appraisal of the property. (2) A record of any liens encumbering the property. (3) A residential real estate disclosure form. (4) A lead-based paint disclosure form for real property constructed before 1978. (5) The annual percentage rate of the contract as determined under the federal Truth in Lending Act. (6) A statement of the buyer's potential legal rights. 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. Requires the seller to record the contract within 30 days of execution. 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
(Continued next page)

Effective: Upon passage.

Summers, Clere, Fleming

January 24, 2019, read first time and referred to Committee on Financial Institutions.
February 19, 2019, amended, reported — Do Pass.

HB 1495—LS 7396/DI 106



Digest Continued

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 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.

HB 1495—LS 7396/DI 106



February 19, 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.

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



1 for a particular year is the lesser of:

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

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

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

- 19 (1) the parcel number or key number of the property and the name
 20 of the city, town, or township in which the property is located;
 21 (2) the name of any other location in which the applicant or the
 22 applicant's spouse owns, is buying, or has a beneficial interest in
 23 residential real property;
 24 (3) the names of:
 25 (A) the applicant and the applicant's spouse (if any):
 26 (i) as the names appear in the records of the United States
 27 Social Security Administration for the purposes of the
 28 issuance of a Social Security card and Social Security
 29 number; or
 30 (ii) that they use as their legal names when they sign their
 31 names on legal documents;
 32 if the applicant is an individual; or
 33 (B) each individual who qualifies property as a homestead
 34 under subsection (a)(2)(B) and the individual's spouse (if any):
 35 (i) as the names appear in the records of the United States
 36 Social Security Administration for the purposes of the
 37 issuance of a Social Security card and Social Security
 38 number; or
 39 (ii) that they use as their legal names when they sign their
 40 names on legal documents;
 41 if the applicant is not an individual; and
 42 (4) either:



- 1 (A) the last five (5) digits of the applicant's Social Security
 2 number and the last five (5) digits of the Social Security
 3 number of the applicant's spouse (if any); or
 4 (B) if the applicant or the applicant's spouse (if any) does not
 5 have a Social Security number, any of the following for that
 6 individual:
- 7 (i) The last five (5) digits of the individual's driver's license
 8 number.
 - 9 (ii) The last five (5) digits of the individual's state
 10 identification card number.
 - 11 (iii) The last five (5) digits of a preparer tax identification
 12 number that is obtained by the individual through the
 13 Internal Revenue Service of the United States.
 - 14 (iv) If the individual does not have a driver's license, a state
 15 identification card, or an Internal Revenue Service preparer
 16 tax identification number, the last five (5) digits of a control
 17 number that is on a document issued to the individual by the
 18 United States government.
- 19 If a form or statement provided to the county auditor under this section,
 20 IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or
 21 part or all of the Social Security number of a party or other number
 22 described in subdivision (4)(B) of a party, the telephone number and
 23 the Social Security number or other number described in subdivision
 24 (4)(B) included are confidential. The statement may be filed in person
 25 or by mail. If the statement is mailed, the mailing must be postmarked
 26 on or before the last day for filing. The statement applies for that first
 27 year and any succeeding year for which the deduction is allowed. With
 28 respect to real property, the statement must be completed and dated in
 29 the calendar year for which the person desires to obtain the deduction
 30 and filed with the county auditor on or before January 5 of the
 31 immediately succeeding calendar year. With respect to a mobile home
 32 that is not assessed as real property, the person must file the statement
 33 during the twelve (12) months before March 31 of the year for which
 34 the person desires to obtain the deduction.
- 35 (f) Except as provided in subsection (n), if a person who is
 36 receiving, or seeks to receive, the deduction provided by this section in
 37 the person's name:
- 38 (1) changes the use of the individual's property so that part or all
 39 of the property no longer qualifies for the deduction under this
 40 section; or
 - 41 (2) is not eligible for a deduction under this section because the
 42 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



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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

33 (o) If:

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

37 (2) the county auditor receiving the filed statement determines
 38 that the property owner's property is not eligible for the deduction;
 39 the county auditor shall inform the property owner of the county
 40 auditor's determination in writing. If a property owner's property is not
 41 eligible for the deduction because the county auditor has determined
 42 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.



- 1 (9) That the consumer will receive a rebate, discount, or other
 2 benefit as an inducement for entering into a sale or lease in return
 3 for giving the supplier the names of prospective consumers or
 4 otherwise helping the supplier to enter into other consumer
 5 transactions, if earning the benefit, rebate, or discount is
 6 contingent upon the occurrence of an event subsequent to the time
 7 the consumer agrees to the purchase or lease.
- 8 (10) That the supplier is able to deliver or complete the subject of
 9 the consumer transaction within a stated period of time, when the
 10 supplier knows or should reasonably know the supplier could not.
 11 If no time period has been stated by the supplier, there is a
 12 presumption that the supplier has represented that the supplier
 13 will deliver or complete the subject of the consumer transaction
 14 within a reasonable time, according to the course of dealing or the
 15 usage of the trade.
- 16 (11) That the consumer will be able to purchase the subject of the
 17 consumer transaction as advertised by the supplier, if the supplier
 18 does not intend to sell it.
- 19 (12) That the replacement or repair constituting the subject of a
 20 consumer transaction can be made by the supplier for the estimate
 21 the supplier gives a customer for the replacement or repair, if the
 22 specified work is completed and:
- 23 (A) the cost exceeds the estimate by an amount equal to or
 - 24 greater than ten percent (10%) of the estimate;
 - 25 (B) the supplier did not obtain written permission from the
 - 26 customer to authorize the supplier to complete the work even
 - 27 if the cost would exceed the amounts specified in clause (A);
 - 28 (C) the total cost for services and parts for a single transaction
 - 29 is more than seven hundred fifty dollars (\$750); and
 - 30 (D) the supplier knew or reasonably should have known that
 - 31 the cost would exceed the estimate in the amounts specified in
 - 32 clause (A).
- 33 (13) That the replacement or repair constituting the subject of a
 34 consumer transaction is needed, and that the supplier disposes of
 35 the part repaired or replaced earlier than seventy-two (72) hours
 36 after both:
- 37 (A) the customer has been notified that the work has been
 - 38 completed; and
 - 39 (B) the part repaired or replaced has been made available for
 - 40 examination upon the request of the customer.
- 41 (14) Engaging in the replacement or repair of the subject of a
 42 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



- 1 transactions), as set forth in IC 24-5-8-20.
- 2 (23) A violation of IC 24-5-10 (concerning home consumer
- 3 transactions), as set forth in IC 24-5-10-18.
- 4 (24) A violation of IC 24-5-11 (concerning real property
- 5 improvement contracts), as set forth in IC 24-5-11-14.
- 6 (25) A violation of IC 24-5-12 (concerning telephone
- 7 solicitations), as set forth in IC 24-5-12-23.
- 8 (26) A violation of IC 24-5-13.5 (concerning buyback motor
- 9 vehicles), as set forth in IC 24-5-13.5-14.
- 10 (27) A violation of IC 24-5-14 (concerning automatic
- 11 dialing-announcing devices), as set forth in IC 24-5-14-13.
- 12 (28) A violation of IC 24-5-15 (concerning credit services
- 13 organizations), as set forth in IC 24-5-15-11.
- 14 (29) A violation of IC 24-5-16 (concerning unlawful motor
- 15 vehicle subleasing), as set forth in IC 24-5-16-18.
- 16 (30) A violation of IC 24-5-17 (concerning environmental
- 17 marketing claims), as set forth in IC 24-5-17-14.
- 18 (31) A violation of IC 24-5-19 (concerning deceptive commercial
- 19 solicitation), as set forth in IC 24-5-19-11.
- 20 (32) A violation of IC 24-5-21 (concerning prescription drug
- 21 discount cards), as set forth in IC 24-5-21-7.
- 22 (33) A violation of IC 24-5-23.5-7 (concerning real estate
- 23 appraisals), as set forth in IC 24-5-23.5-9.
- 24 (34) A violation of IC 24-5-26 (concerning identity theft), as set
- 25 forth in IC 24-5-26-3.
- 26 (35) A violation of IC 24-5.5 (concerning mortgage rescue fraud),
- 27 as set forth in IC 24-5.5-6-1.
- 28 (36) A violation of IC 24-8 (concerning promotional gifts and
- 29 contests), as set forth in IC 24-8-6-3.
- 30 (37) A violation of IC 21-18.5-6 (concerning representations
- 31 made by a postsecondary credit bearing proprietary educational
- 32 institution), as set forth in IC 21-18.5-6-22.5.
- 33 **(38) A violation of IC 32-29.5 (concerning principal dwelling**
- 34 **land contracts), as set forth in IC 32-29.5-6-4.**
- 35 (c) Any representations on or within a product or its packaging or
- 36 in advertising or promotional materials which would constitute a
- 37 deceptive act shall be the deceptive act both of the supplier who places
- 38 such representation thereon or therein, or who authored such materials,
- 39 and such other suppliers who shall state orally or in writing that such
- 40 representation is true if such other supplier shall know or have reason
- 41 to know that such representation was false.
- 42 (d) If a supplier shows by a preponderance of the evidence that an



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

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

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

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

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

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

31 **ARTICLE 29.5. PRINCIPAL DWELLING LAND**
 32 **CONTRACTS**

33 **Chapter 1. Application**

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

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

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



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

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

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

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

10 (3) Transactions between family members.

11 Chapter 2. Definitions

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

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

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

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

22 (1) designed primarily for the occupancy of one (1) to four (4)
23 families; and

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

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

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

28 (2) vacant land.

29 Chapter 3. Principal Dwelling Land Contracts and Disclosures

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

33 (1) A complete copy of a Federal Housing Administration
34 (FHA) appraisal for the real property that has been
35 completed within the previous six (6) months.

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

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

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



- 1 **(5) The annual percentage rate of the principal dwelling land**
- 2 **contract:**
- 3 **(A) determined under; and**
- 4 **(B) disclosed in accordance with;**
- 5 **the federal Truth in Lending Act (Regulation Z; 12 CFR**
- 6 **1026.22).**
- 7 **(6) The following statement, in at least 12 point type:**
- 8 **"INDIANA LAW PROVIDES LEGAL PROTECTION TO**
- 9 **PERSONS BUYING A HOME UNDER A LAND**
- 10 **CONTRACT. IF YOU HAVE EQUITY IN THE HOME AND**
- 11 **MISS REQUIRED PAYMENTS, YOU MAY HAVE THE**
- 12 **RIGHT TO CURE YOUR DEFAULT BY MAKING UP**
- 13 **MISSED PAYMENTS. IN ADDITION, YOU MAY BE**
- 14 **PROTECTED AGAINST FORFEITURE AND IMMEDIATE**
- 15 **EVICTION, AND YOU MAY HAVE THE RIGHT TO THE**
- 16 **RETURN OF SOME OR ALL OF YOUR EQUITY IN THE**
- 17 **HOME.".**

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

- 20 **(1) The annual percentage rate of the loan, calculated in**
- 21 **accordance with section 1(5) of this chapter.**
- 22 **(2) If the real property is encumbered by one (1) or more**
- 23 **liens, a statement of the amount of the liens and an agreement**
- 24 **by the seller that the seller shall use a specified portion of**
- 25 **funds received from the buyer under the contract to satisfy**
- 26 **the liens.**
- 27 **(3) The sales price, address, and legal description of the**
- 28 **residential real estate that is the subject of the contract.**
- 29 **(4) A statement of the amount of any down payment or**
- 30 **purchase option fee applied to the purchase price, including**
- 31 **the resulting principal amount remaining to be paid by the**
- 32 **buyer for the remainder of the contract.**
- 33 **(5) The term of the contract expressed in years and months,**
- 34 **and the total number of periodic payments due under the**
- 35 **contract.**
- 36 **(6) The amount of any balloon payment, and when the balloon**
- 37 **payment is due.**
- 38 **(7) A statement setting forth whether the seller or buyer is**
- 39 **responsible for paying real estate taxes and insurance with**
- 40 **respect to the real estate, including the procedures necessary**
- 41 **for the timely invoicing and payment of those amounts. In any**
- 42 **case in which responsibility for the payment of real estate**



- 1 taxes and insurance with respect to the property is not clearly
 2 set forth in the contract, the seller:
- 3 (A) is responsible for paying real estate taxes and
 4 insurance when due; and
 5 (B) may not seek reimbursement for those amounts from
 6 the buyer.
- 7 (8) Subject to subdivision (7), the amount that will be charged
 8 periodically, if any, during the first year of the contract to pay
 9 real estate taxes.
- 10 (9) Subject to subdivision (7), the amount that will be charged
 11 periodically, if any, during the first year of the contract to pay
 12 for insurance.
- 13 (10) A statement that any amounts listed under subdivisions
 14 (8) or (9) are subject to change each year.
- 15 (11) A listing of any unpaid amounts owed for real estate taxes
 16 with respect to the property.
- 17 (12) The types of insurance coverage, including property
 18 insurance and title insurance, for the buyer and seller that are
 19 required under, or are to be provided in connection with, the
 20 contract.
- 21 (13) A statement setting forth any repairs the buyer is
 22 financially responsible for making to the residential real
 23 estate that is subject to the contract.
- 24 (14) A statement setting forth any types of alterations to the
 25 property that must be approved by both the buyer and the
 26 seller before being made, including any requirements to
 27 provide evidence of necessary permits, insurance, and lien
 28 waiver agreements.
- 29 (15) One (1) of the following:
- 30 (A) An express written warranty that a municipality or
 31 another governmental unit has not issued to:
- 32 (i) the seller;
 33 (ii) the seller's principal; or
 34 (iii) the seller's agent;
- 35 during the five (5) year period immediately preceding the
 36 date of execution of the contract, any notice of a dwelling
 37 code violation with respect to the real estate.
- 38 (B) If a notice described in clause (A) has been issued to:
- 39 (i) the seller;
 40 (ii) the seller's principal; or
 41 (iii) the seller's agent;
- 42 during the five (5) year period described in clause (A), a



- 1 listing of all such notices of violation and a brief statement
 2 of the actions taken by the seller to remedy the violations
 3 set forth in the notice.
- 4 **Sec. 3. All preexisting liens must be satisfied by the seller by the**
 5 **end of the contract term. The payment of liens that arise after the**
 6 **execution of the contract shall be determined by the parties and set**
 7 **forth in the contract.**
- 8 **Sec. 4. A principal dwelling land contract must permit a buyer**
 9 **to pay the balance owed on the contract and receive the deed at any**
 10 **time. A principal dwelling land contract may not impose a**
 11 **prepayment penalty or additional charge for an early payoff.**
- 12 **Sec. 5. At the time the parties execute the principal dwelling**
 13 **land contract, the seller shall provide the buyer with one (1) copy**
 14 **of the executed contract. The principal dwelling land contract**
 15 **must:**
- 16 (1) be notarized; and
 - 17 (2) conform to the requirements set forth in IC 36-2-11 for the
 - 18 recording of documents.
- 19 **Sec. 6. The buyer or seller is not bound by a principal dwelling**
 20 **land contract during the three (3) business days immediately**
 21 **following the date of execution of the contract in the contract's full**
 22 **and final form. At any time during the three (3) day period**
 23 **described in this section, the buyer or the seller may deliver to the**
 24 **other party a written notice of cancellation that has the legal effect**
 25 **of canceling the transaction. If a notice of cancellation is delivered**
 26 **by either the buyer or the seller to the other party during the three**
 27 **(3) day period described in this section, the following apply:**
- 28 (1) The buyer shall, not later than twenty-four (24) hours
 - 29 after receipt or delivery of the notice of cancellation:
 - 30 (A) surrender possession of the real estate that is the
 - 31 subject of the transaction back to the seller; and
 - 32 (B) return any keys or other devices that may be used to
 - 33 access the property to the seller or the seller's agent. - 34 (2) The seller shall, not later than two (2) business days after
 - 35 being placed back into possession of the real estate, return all
 - 36 monies paid by the buyer, including any down payments, fees,
 - 37 or regular payments made in connection with the transaction.
- 38 Neither the buyer nor the seller may waive the three (3) day
 39 cancellation period provided for by this section, by contract or
 40 otherwise.
- 41 **Sec. 7. The seller shall record the executed principal dwelling**
 42 **land contract not later than thirty (30) days after the contract is**



1 executed in the county in which the real property is located. The
2 buyer may record the executed contract at any time.

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

13 (1) A copy of the recorded warranty deed transferring the
14 seller's interest in the real estate to the transferee.

15 (2) The telephone number of the transferee.

16 (3) The address to which payments under the principal
17 dwelling land contract must be sent.

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

22 (1) interest in the real estate that is the subject of the principal
23 dwelling land contract, as of the date of the transfer; and

24 (2) rights and obligations under the principal dwelling land
25 contract, as of the date of the transfer;

26 to a subsequent buyer.

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

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

31 (A) interest in the real estate; and

32 (B) rights and obligations under the contract;

33 are not transferable or assignable during the term of the
34 contract.

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

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



- 1 dwelling land contract, unless all parties to the transfer
- 2 agree to the performance of a new appraisal.
- 3 (B) All disclosures required under section 2 of this chapter,
- 4 current as of the date of the transfer.
- 5 (3) After the buyer's:
- 6 (A) interest in the real estate; and
- 7 (B) rights and obligations under the recorded principal
- 8 dwelling land contract;
- 9 are transferred to the subsequent buyer, sections 4 through 8
- 10 of this chapter apply with respect to the seller and the
- 11 subsequent buyer.

12 **Chapter 4. Statement of Account**

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

- 16 (1) A record of all payments made by the buyer.
- 17 (2) If applicable, a record of all payments made by the seller
- 18 to satisfy any liens, and to whom the payments were made.
- 19 (3) The payoff amount as of the end of the previous calendar
- 20 year.

21 **Chapter 5. Buyer Default**

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

- 24 (1) has made timely payments under the contract for at least
- 25 one (1) year; or
- 26 (2) the amount of all payments made by the buyer under the
- 27 contract, including any down payment or prepayment, is at
- 28 least five percent (5%) of the purchase price;

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

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

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



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

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

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

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

16 **(2) Both of the following apply:**

17 **(A) The amount of all payments made by the buyer under**
 18 **the contract, including any down payment or prepayment,**
 19 **is less than five percent (5%) of the purchase price.**

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

22 **Chapter 6. Violations**

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

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

28 **(2) obtain liquidated damages of up to one (1) month's**
 29 **payment under the contract.**

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

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

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

38 **The quitclaim deed required under this subsection must contain a**
 39 **cross-reference to the recorded principal dwelling land contract.**
 40 **The seller is responsible for all expenses incurred in the drafting**
 41 **and recording of a quitclaim deed required under this subsection.**
 42 **However, if the buyer vacates the property and does not execute**



1 and record a release of the land contract not later than ten (10)
 2 days after vacating the property, the seller may file an action for
 3 forfeiture.

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

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

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

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

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

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

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

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

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

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

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

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

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



1 forfeiture.

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

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

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

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

11 **Chapter 7. Seller Default**

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

13 (1) the buyer has fulfilled the requirements of the principal
14 dwelling land contract; and

15 (2) the seller is unable to transfer title to the buyer without
16 any liens not assumed by the buyer with respect to the
17 property;

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

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

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

28 **Chapter 8. Rulemaking**

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

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

38 **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.

