



SENATE MOTION

MADAM PRESIDENT:

I move that Senate Bill 213 be amended to read as follows:

- 1 Page 5, delete lines 16 through 42, begin a new paragraph and
- 2 insert:
- 3 **"(q) In the case of tangible property that is used to provide**
- 4 **affordable rental housing and that is owned by an owner described**
- 5 **in section 48(a) of this chapter, the owner of the tangible property**
- 6 **may apply to the county property tax assessment board of appeals**
- 7 **as provided in section 48 of this chapter for:**
- 8 **(1) an approval of an exemption under this section; and**
- 9 **(2) a determination by the county property tax assessment**
- 10 **board of appeals providing that the tangible property will**
- 11 **remain eligible for the exemption under this section for the**
- 12 **period specified in section 48(d)(2) of this chapter as long as**
- 13 **the exempt use of the property does not change.**
- 14 **A taxpayer is not required to apply for and receive a determination**
- 15 **under section 48 of this chapter in order to apply for and receive**
- 16 **an exemption under this section.**
- 17 **SECTION 2. IC 6-1.1-10-48 IS ADDED TO THE INDIANA CODE**
- 18 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
- 19 **JANUARY 1, 2019]: Sec. 48. (a) This section applies to the owner**
- 20 **of tangible property that is used to provide affordable rental**
- 21 **housing only if the owner of the tangible property is:**
- 22 **(1) an organization exempt from taxation under Section**
- 23 **501(c)(3) of the Internal Revenue Code; or**
- 24 **(2) a single member limited liability company:**
- 25 **(A) that is a disregarded entity under the Internal Revenue**
- 26 **Code of an organization described in subdivision (1); and**
- 27 **(B) for which an organization described in subdivision (1)**
- 28 **is the only member.**

1 (b) In the case of tangible property that is used to provide
2 affordable rental housing, the owner of the tangible property may
3 apply to the county property tax assessment board of appeals for:

4 (1) an approval of an exemption of the tangible property
5 under section 16 of this chapter; and

6 (2) a determination by the county property tax assessment
7 board of appeals providing that the tangible property will
8 remain eligible for the exemption under section 16 of this
9 chapter for the period specified in subsection (d)(2) as long as
10 the exempt use of the tangible property does not change.

11 (c) An owner of tangible property that applies to the county
12 property tax assessment board of appeals under subsection (b) for
13 an approval of an exemption and for a determination under
14 subsection (d) must also submit:

15 (1) an exemption application as required by IC 6-1.1-11;

16 (2) the organization's Internal Revenue Service Form 990
17 (Return of Organization Exempt from Income Tax) filed by
18 the organization; and

19 (3) a copy of the organization's rental policy.

20 (d) After examination of the application for the exemption of the
21 tangible property that is used to provide affordable rental housing:

22 (1) the county property tax assessment board of appeals shall
23 approve or disapprove the exemption as provided in
24 IC 6-1.1-11-7; and

25 (2) if the county property tax assessment board of appeals
26 approves the application for the exemption, the county
27 property tax assessment board of appeals shall make a
28 determination providing that the tangible property will
29 remain eligible for the exemption under section 16 of this
30 chapter for a specified period of at least ten years (10) and not
31 more than twenty (20) years, as long as the exempt use of the
32 property does not change.

33 (e) The determination under subsection (d)(2) shall specify the
34 percentage of the assessed value of the tangible property that is
35 exempt under section 16 of this chapter.

36 (f) In its examination of the exemption application, the county
37 property tax assessment board of appeals shall take into
38 consideration whether the owner of the tangible property that is
39 used to provide affordable rental housing meets either of the
40 following criteria for organizations that provide low income
41 housing to be considered charitable as described in Section
42 501(c)(3) of the Internal Revenue Code because they relieve the
43 poor and distressed:

44 (1) The safe harbor provision contained in Internal Revenue
45 Service revenue procedure 96-32 (as in effect January 1,
46 2019).

47 (2) The facts and circumstances test that are applied in

Internal Revenue Service revenue procedure 96-32 (as in effect January 1, 2019) if the organization falls outside the safe harbor provision described in clause (A).

(g) If the county property tax assessment board of appeals approves the exemption as provided in IC 6-1.1-11-7 and makes a determination under subsection (d)(2) providing that the tangible property will remain eligible for the exemption under section 16 of this chapter for a specified period:

(1) the county property tax assessment board of appeals may not deny the exemption or reduce the exemption percentage for following assessment dates that occur during that specified period unless the county property tax assessment board of appeals after a hearing issues a written determination that the exempt use of the tangible property has changed; and

(2) the assessor has the burden of proving:

(A) in a hearing under subdivision (1); and

(B) in any appeal of a decision in a hearing under subdivision (1) to the Indiana board of tax review, the Indiana tax court, or the Indiana supreme court;

that the denial of the exemption or the change in the exemption percentage is correct.

(h) If the county property tax assessment board of appeals after a hearing under subsection (g) makes a determination denying the exemption for the tangible property under section 16 of this chapter or reducing the exemption percentage, the owner of the tangible property may obtain a review by the Indiana board under IC 6-1.1-15-3 of the county property tax assessment board of appeals' action.

(i) The determination under subsection (d)(2) applies during the specified period regardless of whether there has been a change in the ownership of the tangible property.

(j) This section does not apply to tangible property that is exempt under section 16.7 of this chapter."

Delete page 6.

Renumber all SECTIONS consecutively.

(Reference is to SB 213 as printed January 31, 2018.)

Senator TALLIAN