

HOUSE BILL No. 1185

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12-37; IC 24-5-0.5-3; IC 32-29.5.

Synopsis: Real estate 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 two families; and (2) that is or will be occupied by the buyer as the buyer's principal dwelling. 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. Provides that the seller under a contract must provide the buyer with certain information concerning any liens that encumber the property 10 days before the contract is executed. 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. 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 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. Requires that the executed contract or a memorandum of land contract be notarized.

Effective: Upon passage.

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January 10, 2023, read first time and referred to Committee on Judiciary.



First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

HOUSE BILL No. 1185

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.174-2022,
2 SECTION 22, 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



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 32-29.5-2-3), 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) for assessment dates:
 6 (A) before January 1, 2023, forty-five thousand dollars
 7 (\$45,000); or
 8 (B) after December 31, 2022, forty-eight thousand dollars
 9 (\$48,000).

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

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

- 23 (1) the parcel number or key number of the property and the name
 24 of the city, town, or township in which the property is located;
 25 (2) the name of any other location in which the applicant or the
 26 applicant's spouse owns, is buying, or has a beneficial interest in
 27 residential real property;
 28 (3) the names of:
 29 (A) the applicant and the applicant's spouse (if any):
 30 (i) as the names appear in the records of the United States
 31 Social Security Administration for the purposes of the
 32 issuance of a Social Security card and Social Security
 33 number; or
 34 (ii) that they use as their legal names when they sign their
 35 names on legal documents;
 36 if the applicant is an individual; or
 37 (B) each individual who qualifies property as a homestead
 38 under subsection (a)(2)(B) and the individual's spouse (if any):
 39 (i) as the names appear in the records of the United States
 40 Social Security Administration for the purposes of the
 41 issuance of a Social Security card and Social Security
 42 number; or



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



- 1 (2) is not eligible for a deduction under this section because the
 2 person is already receiving:
 3 (A) a deduction under this section in the person's name as an
 4 individual or a spouse; or
 5 (B) a deduction under the law of another state that is
 6 equivalent to the deduction provided by this section;
 7 the person must file a certified statement with the auditor of the county,
 8 notifying the auditor of the person's ineligibility, not more than sixty
 9 (60) days after the date of the change in eligibility. A person who fails
 10 to file the statement required by this subsection may, under
 11 IC 6-1.1-36-17, be liable for any additional taxes that would have been
 12 due on the property if the person had filed the statement as required by
 13 this subsection plus a civil penalty equal to ten percent (10%) of the
 14 additional taxes due. The civil penalty imposed under this subsection
 15 is in addition to any interest and penalties for a delinquent payment that
 16 might otherwise be due. One percent (1%) of the total civil penalty
 17 collected under this subsection shall be transferred by the county to the
 18 department of local government finance for use by the department in
 19 establishing and maintaining the homestead property data base under
 20 subsection (i) and, to the extent there is money remaining, for any other
 21 purposes of the department. This amount becomes part of the property
 22 tax liability for purposes of this article.
- 23 (g) The department of local government finance may adopt rules or
 24 guidelines concerning the application for a deduction under this
 25 section.
- 26 (h) This subsection does not apply to property in the first year for
 27 which a deduction is claimed under this section if the sole reason that
 28 a deduction is claimed on other property is that the individual or
 29 married couple maintained a principal residence at the other property
 30 on the assessment date in the same year in which an application for a
 31 deduction is filed under this section or, if the application is for a
 32 homestead that is assessed as personal property, on the assessment date
 33 in the immediately preceding year and the individual or married couple
 34 is moving the individual's or married couple's principal residence to the
 35 property that is the subject of the application. Except as provided in
 36 subsection (n), the county auditor may not grant an individual or a
 37 married couple a deduction under this section if:
- 38 (1) the individual or married couple, for the same year, claims the
 39 deduction on two (2) or more different applications for the
 40 deduction; and
 41 (2) the applications claim the deduction for different property.
- 42 (i) The department of local government finance shall provide secure



1 access to county auditors to a homestead property data base that
 2 includes access to the homestead owner's name and the numbers
 3 required from the homestead owner under subsection (e)(4) for the sole
 4 purpose of verifying whether an owner is wrongly claiming a deduction
 5 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or
 6 IC 6-3.6-5 (after December 31, 2016). Each county auditor shall submit
 7 data on deductions applicable to the current tax year on or before
 8 March 15 of each year in a manner prescribed by the department of
 9 local government finance.

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

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

24 (1) The property is located in Indiana and consists of a dwelling
 25 and the real estate, not exceeding one (1) acre, that immediately
 26 surrounds that dwelling.

27 (2) The property is the principal place of residence of an
 28 individual.

29 (3) The property is owned by an entity that is not described in
 30 subsection (a)(2)(B).

31 (4) The individual residing on the property is a shareholder,
 32 partner, or member of the entity that owns the property.

33 (5) The property was eligible for the standard deduction under
 34 this section on March 1, 2009.

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

37 (1) imposed for an assessment date in 2009; and

38 (2) first due and payable in 2010;

39 on the grounds that the property is not owned by an entity described in
 40 subsection (a)(2)(B), the county auditor shall reinstate the deduction if
 41 the taxpayer provides proof that the property is eligible for the
 42 deduction in accordance with subsection (k) and that the individual



- 1 residing on the property is not claiming the deduction for any other
 2 property.
- 3 (m) For assessment dates after 2009, the term "homestead" includes:
 4 (1) a deck or patio;
 5 (2) a gazebo; or
 6 (3) another residential yard structure, as defined in rules adopted
 7 by the department of local government finance (other than a
 8 swimming pool);
 9 that is assessed as real property and attached to the dwelling.
- 10 (n) A county auditor shall grant an individual a deduction under this
 11 section regardless of whether the individual and the individual's spouse
 12 claim a deduction on two (2) different applications and each
 13 application claims a deduction for different property if the property
 14 owned by the individual's spouse is located outside Indiana and the
 15 individual files an affidavit with the county auditor containing the
 16 following information:
 17 (1) The names of the county and state in which the individual's
 18 spouse claims a deduction substantially similar to the deduction
 19 allowed by this section.
 20 (2) A statement made under penalty of perjury that the following
 21 are true:
 22 (A) That the individual and the individual's spouse maintain
 23 separate principal places of residence.
 24 (B) That neither the individual nor the individual's spouse has
 25 an ownership interest in the other's principal place of
 26 residence.
 27 (C) That neither the individual nor the individual's spouse has,
 28 for that same year, claimed a standard or substantially similar
 29 deduction for any property other than the property maintained
 30 as a principal place of residence by the respective individuals.
- 31 A county auditor may require an individual or an individual's spouse to
 32 provide evidence of the accuracy of the information contained in an
 33 affidavit submitted under this subsection. The evidence required of the
 34 individual or the individual's spouse may include state income tax
 35 returns, excise tax payment information, property tax payment
 36 information, driver license information, and voter registration
 37 information.
- 38 (o) If:
 39 (1) a property owner files a statement under subsection (e) to
 40 claim the deduction provided by this section for a particular
 41 property; and
 42 (2) the county auditor receiving the filed statement determines



1 that the property owner's property is not eligible for the deduction;
 2 the county auditor shall inform the property owner of the county
 3 auditor's determination in writing. If a property owner's property is not
 4 eligible for the deduction because the county auditor has determined
 5 that the property is not the property owner's principal place of
 6 residence, the property owner may appeal the county auditor's
 7 determination as provided in IC 6-1.1-15. The county auditor shall
 8 inform the property owner of the owner's right to appeal when the
 9 county auditor informs the property owner of the county auditor's
 10 determination under this subsection.

11 (p) An individual is entitled to the deduction under this section for
 12 a homestead for a particular assessment date if:

13 (1) either:

14 (A) the individual's interest in the homestead as described in
 15 subsection (a)(2)(B) is conveyed to the individual after the
 16 assessment date, but within the calendar year in which the
 17 assessment date occurs; or

18 (B) the individual contracts to purchase the homestead after
 19 the assessment date, but within the calendar year in which the
 20 assessment date occurs;

21 (2) on the assessment date:

22 (A) the property on which the homestead is currently located
 23 was vacant land; or

24 (B) the construction of the dwelling that constitutes the
 25 homestead was not completed; and

26 (3) either:

27 (A) the individual files the certified statement required by
 28 subsection (e); or

29 (B) a sales disclosure form that meets the requirements of
 30 section 44 of this chapter is submitted to the county assessor
 31 on or before December 31 of the calendar year for the
 32 individual's purchase of the homestead.

33 An individual who satisfies the requirements of subdivisions (1)
 34 through (3) is entitled to the deduction under this section for the
 35 homestead for the assessment date, even if on the assessment date the
 36 property on which the homestead is currently located was vacant land
 37 or the construction of the dwelling that constitutes the homestead was
 38 not completed. The county auditor shall apply the deduction for the
 39 assessment date and for the assessment date in any later year in which
 40 the homestead remains eligible for the deduction. A homestead that
 41 qualifies for the deduction under this section as provided in this
 42 subsection is considered a homestead for purposes of section 37.5 of



1 this chapter and IC 6-1.1-20.6.

2 (q) This subsection applies to an application for the deduction
3 provided by this section that is filed for an assessment date occurring
4 after December 31, 2013. Notwithstanding any other provision of this
5 section, an individual buying a mobile home that is not assessed as real
6 property or a manufactured home that is not assessed as real property
7 under a contract providing that the individual is to pay the property
8 taxes on the mobile home or manufactured home is not entitled to the
9 deduction provided by this section unless the parties to the contract
10 comply with IC 9-17-6-17.

11 (r) This subsection:

12 (1) applies to an application for the deduction provided by this
13 section that is filed for an assessment date occurring after
14 December 31, 2013; and

15 (2) does not apply to an individual described in subsection (q).

16 The owner of a mobile home that is not assessed as real property or a
17 manufactured home that is not assessed as real property must attach a
18 copy of the owner's title to the mobile home or manufactured home to
19 the application for the deduction provided by this section.

20 (s) For assessment dates after 2013, the term "homestead" includes
21 property that is owned by an individual who:

22 (1) is serving on active duty in any branch of the armed forces of
23 the United States;

24 (2) was ordered to transfer to a location outside Indiana; and

25 (3) was otherwise eligible, without regard to this subsection, for
26 the deduction under this section for the property for the
27 assessment date immediately preceding the transfer date specified
28 in the order described in subdivision (2).

29 For property to qualify under this subsection for the deduction provided
30 by this section, the individual described in subdivisions (1) through (3)
31 must submit to the county auditor a copy of the individual's transfer
32 orders or other information sufficient to show that the individual was
33 ordered to transfer to a location outside Indiana. The property continues
34 to qualify for the deduction provided by this section until the individual
35 ceases to be on active duty, the property is sold, or the individual's
36 ownership interest is otherwise terminated, whichever occurs first.
37 Notwithstanding subsection (a)(2), the property remains a homestead
38 regardless of whether the property continues to be the individual's
39 principal place of residence after the individual transfers to a location
40 outside Indiana. The property continues to qualify as a homestead
41 under this subsection if the property is leased while the individual is
42 away from Indiana and is serving on active duty, if the individual has



1 lived at the property at any time during the past ten (10) years.
2 Otherwise, the property ceases to qualify as a homestead under this
3 subsection if the property is leased while the individual is away from
4 Indiana. Property that qualifies as a homestead under this subsection
5 shall also be construed as a homestead for purposes of section 37.5 of
6 this chapter.

7 SECTION 2. IC 24-5-0.5-3, AS AMENDED BY P.L.34-2022,
8 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 UPON PASSAGE]: Sec. 3. (a) A supplier may not commit an unfair,
10 abusive, or deceptive act, omission, or practice in connection with a
11 consumer transaction. Such an act, omission, or practice by a supplier
12 is a violation of this chapter whether it occurs before, during, or after
13 the transaction. An act, omission, or practice prohibited by this section
14 includes both implicit and explicit misrepresentations.

15 (b) Without limiting the scope of subsection (a), the following acts,
16 and the following representations as to the subject matter of a
17 consumer transaction, made orally, in writing, or by electronic
18 communication, by a supplier, are deceptive acts:

19 (1) That such subject of a consumer transaction has sponsorship,
20 approval, performance, characteristics, accessories, uses, or
21 benefits it does not have which the supplier knows or should
22 reasonably know it does not have.

23 (2) That such subject of a consumer transaction is of a particular
24 standard, quality, grade, style, or model, if it is not and if the
25 supplier knows or should reasonably know that it is not.

26 (3) That such subject of a consumer transaction is new or unused,
27 if it is not and if the supplier knows or should reasonably know
28 that it is not.

29 (4) That such subject of a consumer transaction will be supplied
30 to the public in greater quantity than the supplier intends or
31 reasonably expects.

32 (5) That replacement or repair constituting the subject of a
33 consumer transaction is needed, if it is not and if the supplier
34 knows or should reasonably know that it is not.

35 (6) That a specific price advantage exists as to such subject of a
36 consumer transaction, if it does not and if the supplier knows or
37 should reasonably know that it does not.

38 (7) That the supplier has a sponsorship, approval, or affiliation in
39 such consumer transaction the supplier does not have, and which
40 the supplier knows or should reasonably know that the supplier
41 does not have.

42 (8) That such consumer transaction involves or does not involve



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



- 1 examination upon the request of the customer.
- 2 (14) Engaging in the replacement or repair of the subject of a
3 consumer transaction if the consumer has not authorized the
4 replacement or repair, and if the supplier knows or should
5 reasonably know that it is not authorized.
- 6 (15) The act of misrepresenting the geographic location of the
7 supplier by listing an alternate business name or an assumed
8 business name (as described in IC 23-0.5-3-4) in a local telephone
9 directory if:
- 10 (A) the name misrepresents the supplier's geographic location;
11 (B) the listing fails to identify the locality and state of the
12 supplier's business;
13 (C) calls to the local telephone number are routinely forwarded
14 or otherwise transferred to a supplier's business location that
15 is outside the calling area covered by the local telephone
16 directory; and
17 (D) the supplier's business location is located in a county that
18 is not contiguous to a county in the calling area covered by the
19 local telephone directory.
- 20 (16) The act of listing an alternate business name or assumed
21 business name (as described in IC 23-0.5-3-4) in a directory
22 assistance data base if:
- 23 (A) the name misrepresents the supplier's geographic location;
24 (B) calls to the local telephone number are routinely forwarded
25 or otherwise transferred to a supplier's business location that
26 is outside the local calling area; and
27 (C) the supplier's business location is located in a county that
28 is not contiguous to a county in the local calling area.
- 29 (17) The violation by a supplier of IC 24-3-4 concerning
30 cigarettes for import or export.
- 31 (18) The act of a supplier in knowingly selling or reselling a
32 product to a consumer if the product has been recalled, whether
33 by the order of a court or a regulatory body, or voluntarily by the
34 manufacturer, distributor, or retailer, unless the product has been
35 repaired or modified to correct the defect that was the subject of
36 the recall.
- 37 (19) The violation by a supplier of 47 U.S.C. 227, including any
38 rules or regulations issued under 47 U.S.C. 227.
- 39 (20) The violation by a supplier of the federal Fair Debt
40 Collection Practices Act (15 U.S.C. 1692 et seq.), including any
41 rules or regulations issued under the federal Fair Debt Collection
42 Practices Act (15 U.S.C. 1692 et seq.).



- 1 (21) A violation of IC 24-5-7 (concerning health spa services), as
2 set forth in IC 24-5-7-17.
- 3 (22) A violation of IC 24-5-8 (concerning business opportunity
4 transactions), as set forth in IC 24-5-8-20.
- 5 (23) A violation of IC 24-5-10 (concerning home consumer
6 transactions), as set forth in IC 24-5-10-18.
- 7 (24) A violation of IC 24-5-11 (concerning real property
8 improvement contracts), as set forth in IC 24-5-11-14.
- 9 (25) A violation of IC 24-5-12 (concerning telephone
10 solicitations), as set forth in IC 24-5-12-23.
- 11 (26) A violation of IC 24-5-13.5 (concerning buyback motor
12 vehicles), as set forth in IC 24-5-13.5-14.
- 13 (27) A violation of IC 24-5-14 (concerning automatic
14 dialing-announcing devices), as set forth in IC 24-5-14-13.
- 15 (28) A violation of IC 24-5-15 (concerning credit services
16 organizations), as set forth in IC 24-5-15-11.
- 17 (29) A violation of IC 24-5-16 (concerning unlawful motor
18 vehicle subleasing), as set forth in IC 24-5-16-18.
- 19 (30) A violation of IC 24-5-17 (concerning environmental
20 marketing claims), as set forth in IC 24-5-17-14.
- 21 (31) A violation of IC 24-5-19 (concerning deceptive commercial
22 solicitation), as set forth in IC 24-5-19-11.
- 23 (32) A violation of IC 24-5-21 (concerning prescription drug
24 discount cards), as set forth in IC 24-5-21-7.
- 25 (33) A violation of IC 24-5-23.5-7 (concerning real estate
26 appraisals), as set forth in IC 24-5-23.5-9.
- 27 (34) A violation of IC 24-5-26 (concerning identity theft), as set
28 forth in IC 24-5-26-3.
- 29 (35) A violation of IC 24-5.5 (concerning mortgage rescue fraud),
30 as set forth in IC 24-5.5-6-1.
- 31 (36) A violation of IC 24-8 (concerning promotional gifts and
32 contests), as set forth in IC 24-8-6-3.
- 33 (37) A violation of IC 21-18.5-6 (concerning representations
34 made by a postsecondary credit bearing proprietary educational
35 institution), as set forth in IC 21-18.5-6-22.5.
- 36 (38) A violation of IC 24-5-15.5 (concerning collection actions of
37 a plaintiff debt buyer), as set forth in IC 24-5-15.5-6.
- 38 (39) A violation of IC 24-14 (concerning towing services), as set
39 forth in IC 24-14-10-1.
- 40 (40) A violation of IC 24-5-14.5 (concerning misleading or
41 inaccurate caller identification information), as set forth in
42 IC 24-5-14.5-12.



1 (41) A violation of IC 24-5-27 (concerning intrastate inmate
2 calling services), as set forth in IC 24-5-27-27.

3 **(42) A violation of IC 32-29.5 (concerning principal dwelling**
4 **land contracts), as set forth in IC 32-29.5-6-4.**

5 (c) Any representations on or within a product or its packaging or
6 in advertising or promotional materials which would constitute a
7 deceptive act shall be the deceptive act both of the supplier who places
8 such representation thereon or therein, or who authored such materials,
9 and such other suppliers who shall state orally or in writing that such
10 representation is true if such other supplier shall know or have reason
11 to know that such representation was false.

12 (d) If a supplier shows by a preponderance of the evidence that an
13 act resulted from a bona fide error notwithstanding the maintenance of
14 procedures reasonably adopted to avoid the error, such act shall not be
15 deceptive within the meaning of this chapter.

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

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

28 (g) For purposes of subsection (b)(15) and (b)(16), a telephone
29 company or other provider of a telephone directory or directory
30 assistance service or its officer or agent is immune from liability for
31 publishing the listing of an alternate business name or assumed
32 business name of a supplier in its directory or directory assistance data
33 base unless the telephone company or other provider of a telephone
34 directory or directory assistance service is the same person as the
35 supplier who has committed the deceptive act.

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

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



1 **ARTICLE 29.5. PRINCIPAL DWELLING LAND**
 2 **CONTRACTS**

3 **Chapter 1. Application**

4 **Sec. 1. This article applies only to a principal dwelling land**
 5 **contract entered into after June 30, 2023.**

6 **Sec. 2. This article applies to a seller who sells real property**
 7 **under a principal dwelling land contract.**

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

9 **(1) A depository institution regulated by a state or federal**
 10 **agency, and subsidiaries owned and controlled by the**
 11 **depository institution.**

12 **(2) A first lien mortgage lender licensed under IC 24-4.4, and**
 13 **subsidiaries owned and controlled by the first lien mortgage**
 14 **lender.**

15 **(3) Transactions between family members.**

16 **Chapter 2. Definitions**

17 **Sec. 1. The definitions set forth in this chapter apply throughout**
 18 **this article.**

19 **Sec. 2. "Land contract" means a contract for the sale of real**
 20 **estate in which the seller of the real estate retains legal title to the**
 21 **real estate until the total contract price is paid by the buyer.**

22 **Sec. 3. (a) "Principal dwelling land contract" means a land**
 23 **contract for the sale of real property:**

24 **(1) designed primarily for the occupancy of one (1) to two (2)**
 25 **families; and**

26 **(2) that is or will be occupied by a buyer as the buyer's**
 27 **principal dwelling.**

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

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

30 **(2) vacant land.**

31 **Chapter 3. Principal Dwelling Land Contracts and Disclosures**

32 **Sec. 1. (a) At least ten (10) days before a principal dwelling land**
 33 **contract is executed by the parties, the seller shall provide the**
 34 **buyer with a complete record of any liens encumbering the**
 35 **property, including any property tax liens or special assessment**
 36 **liens.**

37 **(b) The principal dwelling contract shall indicate the date by**
 38 **which the record of any liens as required by this section was**
 39 **provided to the buyer.**

40 **Sec. 2. A principal dwelling land contract must include the**
 41 **following information:**

42 **(1) If the real property is encumbered by one (1) or more**



- 1 **liens, a statement of the amount of the liens and an agreement**
 2 **by the seller that the seller shall use a specified portion of**
 3 **funds received from the buyer under the contract to satisfy**
 4 **the liens.**
 5 **(2) The sales price, address, and legal description of the**
 6 **residential real estate that is the subject of the contract.**
 7 **(3) A statement of the amount of any down payment or**
 8 **purchase option fee applied to the purchase price, including**
 9 **the resulting principal amount remaining to be paid by the**
 10 **buyer for the remainder of the contract.**
 11 **(4) The term of the contract expressed in years and months,**
 12 **and the total number of periodic payments due under the**
 13 **contract.**
 14 **(5) The amount of any balloon payment, and when the balloon**
 15 **payment is due.**
 16 **(6) A statement setting forth whether the seller or buyer is**
 17 **responsible for paying real estate taxes and insurance with**
 18 **respect to the real estate, including the procedures necessary**
 19 **for the timely invoicing and payment of those amounts. In any**
 20 **case in which responsibility for the payment of real estate**
 21 **taxes and insurance with respect to the property is not clearly**
 22 **set forth in the contract, the seller:**
 23 **(A) is responsible for paying real estate taxes and**
 24 **insurance when due; and**
 25 **(B) may not seek reimbursement for those amounts from**
 26 **the buyer.**
 27 **(7) Subject to subdivision (6), the amount that will be charged**
 28 **periodically, if any, during the first year of the contract to pay**
 29 **real estate taxes.**
 30 **(8) Subject to subdivision (6), the amount that will be charged**
 31 **periodically, if any, during the first year of the contract to pay**
 32 **for insurance.**
 33 **(9) A statement that any amounts listed under subdivision (7)**
 34 **or (8) are subject to change each year.**
 35 **(10) A listing of any unpaid amounts owed for real estate taxes**
 36 **with respect to the property.**
 37 **(11) The types of insurance coverage, including property**
 38 **insurance and title insurance, for the buyer and seller that are**
 39 **required under, or are to be provided in connection with, the**
 40 **contract.**
 41 **(12) A statement setting forth any repairs the buyer is**
 42 **financially responsible for making to the residential real**



1 estate that is subject to the contract.

2 (13) A statement setting forth any types of alterations to the
3 property that must be approved by both the buyer and the
4 seller before being made, including any requirements to
5 provide evidence of necessary permits, insurance, and lien
6 waiver agreements.

7 **Sec. 3.** All preexisting liens must be satisfied by the seller by the
8 end of the principal dwelling land contract term. The payment of
9 liens that arise after the execution of the principal dwelling land
10 contract shall be satisfied by the seller before the end of the
11 contract term unless otherwise set forth in the contract.

12 **Sec. 4.** A principal dwelling land contract must permit a buyer
13 to pay the balance owed on the contract and receive the deed at any
14 time. A principal dwelling land contract may not impose a
15 prepayment penalty or additional charge for an early payoff.

16 **Sec. 5.** At the time the parties execute the principal dwelling
17 land contract, the seller shall provide the buyer with one (1) copy
18 of the executed contract. The principal dwelling land contract
19 must:

20 (1) be notarized; and

21 (2) conform to the requirements set forth in IC 36-2-11 for the
22 recording of documents.

23 **Sec. 6.** The buyer or seller is not bound by a principal dwelling
24 land contract during the three (3) business days immediately
25 following the date of execution of the contract in the contract's full
26 and final form. At any time during the three (3) day period
27 described in this section, the buyer or the seller may deliver to the
28 other party a written notice of cancellation that has the legal effect
29 of canceling the transaction. If a notice of cancellation is delivered
30 by either the buyer or the seller to the other party during the three
31 (3) day period described in this section, the following apply:

32 (1) The buyer shall, not later than twenty-four (24) hours
33 after receipt or delivery of the notice of cancellation:

34 (A) surrender possession of the real estate that is the
35 subject of the transaction back to the seller; and

36 (B) return any keys or other devices that may be used to
37 access the property to the seller or the seller's agent.

38 (2) The seller shall, not later than two (2) business days after
39 being placed back into possession of the real estate, return all
40 monies paid by the buyer, including any down payments, fees,
41 or regular payments made in connection with the transaction.

42 Neither the buyer nor the seller may waive the three (3) day



1 cancellation period provided for by this section, by contract or
2 otherwise.

3 **Sec. 7.** The seller shall record the executed principal dwelling
4 land contract or memorandum of land contract not later than
5 thirty (30) days after the contract or memorandum is executed and
6 notarized. The buyer may record the executed and notarized
7 principal dwelling land contract or memorandum of land contract
8 at any time. The recording shall be done in the county where the
9 real property is located.

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

- 20 (1) A copy of the recorded warranty deed transferring the
21 seller's interest in the real estate to the transferee.
22 (2) The telephone number of the transferee.
23 (3) The address to which payments under the principal
24 dwelling land contract must be sent.

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

- 29 (1) interest in the real estate that is the subject of the contract,
30 as of the date of the transfer; and
31 (2) rights and obligations under the contract, as of the date of
32 the transfer;

33 to a subsequent buyer.

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

- 36 (1) The recorded principal dwelling land contract must not
37 contain a provision specifying that the buyer's:
38 (A) interest in the real estate; and
39 (B) rights and obligations under the contract;
40 are not transferable or assignable during the term of the
41 contract.

42 (2) The buyer and seller under the recorded principal



1 dwelling land contract must provide the subsequent buyer
2 with the following:

3 (A) All applicable information, forms, and statements
4 required under section 1 of this chapter, current as of the
5 date of the transfer.

6 (B) All disclosures required under section 2 of this chapter,
7 current as of the date of the transfer.

8 (3) After the buyer's:

9 (A) interest in the real estate; and

10 (B) rights and obligations under the recorded principal
11 dwelling land contract;

12 are transferred to the subsequent buyer, sections 4 through 8
13 of this chapter apply with respect to the seller and the
14 subsequent buyer.

15 **Chapter 4. Statement of Account**

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

19 (1) A record of all payments made by the buyer.

20 (2) If applicable, a record of all payments made by the seller
21 to satisfy any liens, and to whom the payments were made.

22 (3) The payoff amount as of the end of the previous calendar
23 year.

24 **Chapter 5. Buyer Default**

25 **Sec. 1.** If a buyer fails to make three (3) consecutive, timely
26 payments as required under a principal dwelling land contract, the
27 buyer is in default of the contract. If:

28 (1) the buyer has made timely payments under the contract
29 for at least one (1) year; or

30 (2) the amount of all payments made by the buyer under the
31 contract, including any down payment or prepayment, is at
32 least thirty percent (30%) of the purchase price;

33 the seller shall send the buyer, not later than ten (10) days after the
34 missed payments, a notice of default.

35 **Sec. 2.** A seller shall give a buyer an opportunity to cure within
36 sixty (60) days after the date of receipt of the notice provided to the
37 buyer under section 1 of this chapter. If the buyer fails to exercise
38 the right to cure, the seller may begin foreclosure proceedings
39 against the buyer.

40 **Sec. 3.** Forfeiture of possession of the real estate that is the
41 subject of a principal dwelling land contract is available as a
42 remedy to the seller upon any act or omission of the buyer that



1 constitutes a default under the terms of the contract, only if either
2 or both of the following apply:

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

4 (2) Both of the following apply:

5 (A) The amount of all payments made by the buyer under
6 the contract, including any down payment or prepayment,
7 is less than ten percent (10%) of the purchase price.

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

10 Sec. 4. At any time during the term of a principal dwelling land
11 contract, a seller shall not force a buyer's default by failing or
12 refusing to accept a payment.

13 Chapter 6. Violations

14 Sec. 1. (a) If a seller fails to provide a complete record of any
15 liens encumbering the property under IC 32-29.5-3-1, the buyer
16 has the right, not later than sixty (60) days after the parties execute
17 the principal dwelling land contract, to:

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

19 (2) obtain liquidated damages of up to one (1) month's
20 payment under the contract.

21 (b) If, at the time a buyer seeks to rescind a principal dwelling
22 land contract under subsection (a)(1), the contract has been
23 recorded, the buyer shall:

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

27 (2) record the quitclaim deed in the county in which the real
28 estate is located.

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

37 (c) If a buyer brings an action under this section and prevails,
38 the court may award the buyer court costs and reasonable
39 attorney's fees.

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

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

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



1 the buyer is entitled to liquidated damages of up to one (1) month's
 2 payment under the principal dwelling land contract. If a buyer
 3 brings an action under this section and prevails, the court may
 4 award the buyer court costs and reasonable attorney's fees.

5 **Sec. 3. (a) This subsection applies to a principal dwelling land**
 6 **contract entered into after June 30, 2023. If a seller prepares a**
 7 **principal dwelling land contract that does not substantially comply**
 8 **with IC 32-29.5-3, the buyer is entitled to:**

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

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

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

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

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

25 (2) record the quitclaim deed in the county in which the real
 26 estate is located.

27 The quitclaim deed required under this subsection must contain a
 28 cross-reference to the recorded principal dwelling land contract.
 29 The seller is responsible for all expenses incurred in the drafting
 30 and recording of a quitclaim deed required under this subsection.
 31 However, if the buyer vacates the property and does not execute
 32 and record a release of the principal dwelling land contract not
 33 later than ten (10) days after vacating the property, the seller may
 34 file an action for forfeiture.

35 (c) If a buyer brings an action under this section and prevails,
 36 the court may award the buyer court costs and reasonable
 37 attorney's fees.

38 **Sec. 4. A violation of this article is an incurable deceptive act**
 39 **that is:**

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

42 (2) subject to the penalties and remedies available to the



1 attorney general under IC 24-5-0.5.

2 **Chapter 7. Seller Default**

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

4 (1) the buyer has fulfilled the requirements of the principal
5 dwelling land contract; and

6 (2) the seller is unable to transfer title to the buyer without
7 any assumed liens on the property;

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

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

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

18 **Chapter 8. Rulemaking**

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

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

28 **SECTION 4.** An emergency is declared for this act.

