

SENATE BILL No. 189

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-4-5.1.

Synopsis: Assessed value growth cap. Limits the annual increase in the gross assessed value of real property for property tax purposes to the lesser of 5% or the percentage change in the Consumer Price Index for all Urban Consumers. Provides that the limit does not apply if: (1) the ownership of the property changes; or (2) the increase is attributable to one or more physical changes to the property. Precludes agricultural land for the limit.

Effective: July 1, 2023.

Alexander

January 10, 2023, read first time and referred to Committee on Tax and Fiscal Policy.



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.

SENATE BILL No. 189

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-4-5.1 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2023]: **Sec. 5.1. (a) This section does not apply to an assessment
4 of agricultural land.**
5 **(b) Except as provided in subsection (c) and subject to
6 subsection (d), for assessment dates after 2023, the assessed value
7 of real property for an assessment date may not exceed the product
8 of the gross assessed value of the real property for the immediately
9 preceding assessment date multiplied by the lesser of:**
10 **(1) one hundred percent (100%) plus the greater of:**
11 **(A) zero (0); or**
12 **(B) the annual percentage change in the Consumer Price
13 Index for all Urban Consumers, as published by the United
14 States Bureau of Labor Statistics at the end of the
15 preceding calendar year; or**
16 **(2) one hundred five percent (105%).**
17 **(c) Subsection (b) does not apply for an assessment date if:**



- 1 **(1) the entire ownership interest; or**
2 **(2) any part of the ownership interest;**
3 **of the real property changes on or before that assessment date and**
4 **after the immediately preceding assessment date.**
5 **(d) Subsection (b):**
6 **(1) applies only to the extent that the increase in the assessed**
7 **value of the real property is attributable to:**
8 **(A) an annual adjustment under section 4.5 of this chapter;**
9 **or**
10 **(B) the application in:**
11 **(i) a general reassessment under section 4.2 of this**
12 **chapter; or**
13 **(ii) an assessment determined for the assessment date in**
14 **a year other than a year in which a general reassessment**
15 **under section 4.2 of this chapter first applies;**
16 **of factors other than the recognition of one (1) or more**
17 **physical changes to the property; and**
18 **(2) does not apply to the extent that the increase is**
19 **attributable to the recognition of one (1) or more physical**
20 **changes to the property.**

