

# SENATE BILL No. 253

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-12-37; IC 24-5-0.5-3; 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 two 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 certain disclosures at least 10 days before the contract is executed. Sets forth disclosures that must be included in a contract. Provides that a contract must permit a buyer to pay the balance owed and receive the deed at any time. Provides that a violation of these provisions constitutes an incurable deceptive act under the deceptive consumer sales act. Provides that a buyer in a principal dwelling land contract is entitled to the homestead deduction regardless of whether the seller has conveyed title.

**Effective:** July 1, 2020.

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## Ford J.D.

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January 9, 2020, read first time and referred to Committee on Judiciary.

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Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

## SENATE BILL No. 253

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.214-2019,  
2 SECTION 16, AND AS AMENDED BY P.L.257-2019, SECTION 28,  
3 AND AS AMENDED BY P.L.121-2019, SECTION 1, AND AS  
4 AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE  
5 2020 GENERAL ASSEMBLY, IS CORRECTED AND AMENDED  
6 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 37. (a)  
7 The following definitions apply throughout this section:  
8 (1) "Dwelling" means any of the following:  
9 (A) Residential real property improvements that an individual  
10 uses as the individual's residence, including a house or garage.  
11 (B) A mobile home that is not assessed as real property that an  
12 individual uses as the individual's residence.  
13 (C) A manufactured home that is not assessed as real property  
14 that an individual uses as the individual's residence.  
15 (2) "Homestead" means an individual's principal place of  
16 residence:  
17 (A) that is located in Indiana;



1 (B) that:

2 (i) the individual owns;

3 (ii) the individual is buying under a contract recorded in the  
4 county recorder's office, or evidenced by a memorandum of  
5 contract recorded in the county recorder's office under  
6 IC 36-2-11-20, that provides that the individual is to pay the  
7 property taxes on the residence, and that obligates the owner  
8 to convey title to the individual upon completion of all of the  
9 individual's contract obligations;

10 (iii) the individual is entitled to occupy as a  
11 tenant-stockholder (as defined in 26 U.S.C. 216) of a  
12 cooperative housing corporation (as defined in 26 U.S.C.  
13 216); or

14 (iv) is a residence described in section 17.9 of this chapter  
15 that is owned by a trust if the individual is an individual  
16 described in section 17.9 of this chapter; and

17 (C) that consists of a dwelling and the real estate, not  
18 exceeding one (1) acre, that immediately surrounds that  
19 dwelling.

20 **For purposes of clause (B)(ii), the term includes the principal**  
21 **residence of an individual purchasing the residence under the**  
22 **terms of a principal dwelling land contract (as defined in**  
23 **IC 32-29.5-2-4), regardless of whether or not the seller has**  
24 **conveyed the title. Except as provided in subsection (k), the term**  
25 **does not include property owned by a corporation, partnership,**  
26 **limited liability company, or other entity not described in this**  
27 **subdivision.**

28 (b) Each year a homestead is eligible for a standard deduction from  
29 the assessed value of the homestead for an assessment date. Except as  
30 provided in subsection (p), the deduction provided by this section  
31 applies to property taxes first due and payable for an assessment date  
32 only if an individual has an interest in the homestead described in  
33 subsection (a)(2)(B) on:

34 (1) the assessment date; or

35 (2) any date in the same year after an assessment date that a  
36 statement is filed under subsection (e) or section 44 of this  
37 chapter, if the property consists of real property.

38 If more than one (1) individual or entity qualifies property as a  
39 homestead under subsection (a)(2)(B) for an assessment date, only one  
40 (1) standard deduction from the assessed value of the homestead may  
41 be applied for the assessment date. Subject to subsection (c), the  
42 auditor of the county shall record and make the deduction for the



1 individual or entity qualifying for the deduction.

2 (c) Except as provided in section 40.5 of this chapter, the total  
3 amount of the deduction that a person may receive under this section  
4 for a particular year is the lesser of:

5 (1) sixty percent (60%) of the assessed value of the real property,  
6 mobile home not assessed as real property, or manufactured home  
7 not assessed as real property; or

8 (2) forty-five thousand dollars (\$45,000).

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

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

22 (1) the parcel number or key number of the property and the name  
23 of the city, town, or township in which the property is located;

24 (2) the name of any other location in which the applicant or the  
25 applicant's spouse owns, is buying, or has a beneficial interest in  
26 residential real property;

27 (3) the names of:

28 (A) the applicant and the applicant's spouse (if any):

29 (i) as the names appear in the records of the United States  
30 Social Security Administration for the purposes of the  
31 issuance of a Social Security card and Social Security  
32 number; or

33 (ii) that they use as their legal names when they sign their  
34 names on legal documents;

35 if the applicant is an individual; or

36 (B) each individual who qualifies property as a homestead  
37 under subsection (a)(2)(B) and the individual's spouse (if any):

38 (i) as the names appear in the records of the United States  
39 Social Security Administration for the purposes of the  
40 issuance of a Social Security card and Social Security  
41 number; or

42 (ii) that they use as their legal names when they sign their



- 1 names on legal documents;  
 2 if the applicant is not an individual; and  
 3 (4) either:  
 4 (A) the last five (5) digits of the applicant's Social Security  
 5 number and the last five (5) digits of the Social Security  
 6 number of the applicant's spouse (if any); or  
 7 (B) if the applicant or the applicant's spouse (if any) does not  
 8 have a Social Security number, any of the following for that  
 9 individual:  
 10 (i) The last five (5) digits of the individual's driver's license  
 11 number.  
 12 (ii) The last five (5) digits of the individual's state  
 13 identification card number.  
 14 (iii) The last five (5) digits of a preparer tax identification  
 15 number that is obtained by the individual through the  
 16 Internal Revenue Service of the United States.  
 17 (iv) If the individual does not have a driver's license, a state  
 18 identification card, or an Internal Revenue Service preparer  
 19 tax identification number, the last five (5) digits of a control  
 20 number that is on a document issued to the individual by the  
 21 United States government.
- 22 If a form or statement provided to the county auditor under this section,  
 23 IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or  
 24 part or all of the Social Security number of a party or other number  
 25 described in subdivision (4)(B) of a party, the telephone number and  
 26 the Social Security number or other number described in subdivision  
 27 (4)(B) included are confidential. The statement may be filed in person  
 28 or by mail. If the statement is mailed, the mailing must be postmarked  
 29 on or before the last day for filing. The statement applies for that first  
 30 year and any succeeding year for which the deduction is allowed. ~~With~~  
 31 ~~respect to real property; To obtain the deduction for a desired~~  
 32 ~~calendar year in which property taxes are first due and payable, the~~  
 33 ~~statement must be completed and dated in the immediately preceding~~  
 34 ~~calendar year for which the person desires to obtain the deduction and~~  
 35 ~~filed with the county auditor on or before January 5 of the immediately~~  
 36 ~~succeeding calendar year With respect to a mobile home that is not~~  
 37 ~~assessed as real property, the person must file the statement during the~~  
 38 ~~twelve (12) months before March 31 of the year for which the person~~  
 39 ~~desires to obtain the deduction: in which the property taxes are first~~  
 40 ~~due and payable.~~  
 41 (f) Except as provided in subsection (n), if a person who is  
 42 receiving, or seeks to receive, the deduction provided by this section in



1 the person's name:

2 (1) changes the use of the individual's property so that part or all

3 of the property no longer qualifies for the deduction under this

4 section; or

5 (2) is not eligible for a deduction under this section because the

6 person is already receiving:

7 (A) a deduction under this section in the person's name as an

8 individual or a spouse; or

9 (B) a deduction under the law of another state that is

10 equivalent to the deduction provided by this section;

11 the person must file a certified statement with the auditor of the county,

12 notifying the auditor of the person's ineligibility, not more than sixty

13 (60) days after the date of the change in eligibility. A person who fails

14 to file the statement required by this subsection may, under

15 IC 6-1.1-36-17, be liable for any additional taxes that would have been

16 due on the property if the person had filed the statement as required by

17 this subsection plus a civil penalty equal to ten percent (10%) of the

18 additional taxes due. The civil penalty imposed under this subsection

19 is in addition to any interest and penalties for a delinquent payment that

20 might otherwise be due. One percent (1%) of the total civil penalty

21 collected under this subsection shall be transferred by the county to the

22 department of local government finance for use by the department in

23 establishing and maintaining the homestead property data base under

24 subsection (i) and, to the extent there is money remaining, for any other

25 purposes of the department. This amount becomes part of the property

26 tax liability for purposes of this article.

27 (g) The department of local government finance may adopt rules or

28 guidelines concerning the application for a deduction under this

29 section.

30 (h) This subsection does not apply to property in the first year for

31 which a deduction is claimed under this section if the sole reason that

32 a deduction is claimed on other property is that the individual or

33 married couple maintained a principal residence at the other property

34 on the assessment date in the same year in which an application for a

35 deduction is filed under this section or, if the application is for a

36 homestead that is assessed as personal property, on the assessment date

37 in the immediately preceding year and the individual or married couple

38 is moving the individual's or married couple's principal residence to the

39 property that is the subject of the application. Except as provided in

40 subsection (n), the county auditor may not grant an individual or a

41 married couple a deduction under this section if:

42 (1) the individual or married couple, for the same year, claims the



- 1           deduction on two (2) or more different applications for the  
2           deduction; and  
3           (2) the applications claim the deduction for different property.  
4           (i) The department of local government finance shall provide secure  
5           access to county auditors to a homestead property data base that  
6           includes access to the homestead owner's name and the numbers  
7           required from the homestead owner under subsection (e)(4) for the sole  
8           purpose of verifying whether an owner is wrongly claiming a deduction  
9           under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or  
10          IC 6-3.6-5 (after December 31, 2016). *Each county auditor shall*  
11          *submit data on deductions applicable to the current tax year on or*  
12          *before March 15 of each year in a manner prescribed by the*  
13          *department of local government finance.*  
14          (j) A county auditor may require an individual to provide evidence  
15          proving that the individual's residence is the individual's principal place  
16          of residence as claimed in the certified statement filed under subsection  
17          (e). The county auditor may limit the evidence that an individual is  
18          required to submit to a state income tax return, a valid driver's license,  
19          or a valid voter registration card showing that the residence for which  
20          the deduction is claimed is the individual's principal place of residence.  
21          The department of local government finance shall work with county  
22          auditors to develop procedures to determine whether a property owner  
23          that is claiming a standard deduction or homestead credit is not eligible  
24          for the standard deduction or homestead credit because the property  
25          owner's principal place of residence is outside Indiana.  
26          (k) As used in this section, "homestead" includes property that  
27          satisfies each of the following requirements:  
28                  (1) The property is located in Indiana and consists of a dwelling  
29                  and the real estate, not exceeding one (1) acre, that immediately  
30                  surrounds that dwelling.  
31                  (2) The property is the principal place of residence of an  
32                  individual.  
33                  (3) The property is owned by an entity that is not described in  
34                  subsection (a)(2)(B).  
35                  (4) The individual residing on the property is a shareholder,  
36                  partner, or member of the entity that owns the property.  
37                  (5) The property was eligible for the standard deduction under  
38                  this section on March 1, 2009.  
39          (l) If a county auditor terminates a deduction for property described  
40          in subsection (k) with respect to property taxes that are:  
41                  (1) imposed for an assessment date in 2009; and  
42                  (2) first due and payable in 2010;



1 on the grounds that the property is not owned by an entity described in  
 2 subsection (a)(2)(B), the county auditor shall reinstate the deduction if  
 3 the taxpayer provides proof that the property is eligible for the  
 4 deduction in accordance with subsection (k) and that the individual  
 5 residing on the property is not claiming the deduction for any other  
 6 property.

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

8 (1) a deck or patio;

9 (2) a gazebo; or

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

14 (n) A county auditor shall grant an individual a deduction under this  
 15 section regardless of whether the individual and the individual's spouse  
 16 claim a deduction on two (2) different applications and each  
 17 application claims a deduction for different property if the property  
 18 owned by the individual's spouse is located outside Indiana and the  
 19 individual files an affidavit with the county auditor containing the  
 20 following information:

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

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

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

28 (B) That neither the individual nor the individual's spouse has  
 29 an ownership interest in the other's principal place of  
 30 residence.

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

35 A county auditor may require an individual or an individual's spouse to  
 36 provide evidence of the accuracy of the information contained in an  
 37 affidavit submitted under this subsection. The evidence required of the  
 38 individual or the individual's spouse may include state income tax  
 39 returns, excise tax payment information, property tax payment  
 40 information, driver license information, and voter registration  
 41 information.

42 (o) If:





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

4 (2) the county auditor receiving the filed statement determines  
 5 that the property owner's property is not eligible for the deduction;  
 6 the county auditor shall inform the property owner of the county  
 7 auditor's determination in writing. If a property owner's property is not  
 8 eligible for the deduction because the county auditor has determined  
 9 that the property is not the property owner's principal place of  
 10 residence, the property owner may appeal the county auditor's  
 11 determination *to the county property tax assessment board of appeals*  
 12 as provided in IC 6-1.1-15. The county auditor shall inform the  
 13 property owner of the owner's right to appeal *to the county property tax*  
 14 *assessment board of appeals* when the county auditor informs the  
 15 property owner of the county auditor's determination under this  
 16 subsection.

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

19 (1) either:

20 (A) the individual's interest in the homestead as described in  
 21 subsection (a)(2)(B) is conveyed to the individual after the  
 22 assessment date, but within the calendar year in which the  
 23 assessment date occurs; or

24 (B) the individual contracts to purchase the homestead after  
 25 the assessment date, but within the calendar year in which the  
 26 assessment date occurs;

27 (2) on the assessment date:

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

30 (B) the construction of the dwelling that constitutes the  
 31 homestead was not completed; and

32 (3) either:

33 (A) the individual files the certified statement required by  
 34 subsection (e); or

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

39 An individual who satisfies the requirements of subdivisions (1)  
 40 through (3) is entitled to the deduction under this section for the  
 41 homestead for the assessment date, even if on the assessment date the  
 42 property on which the homestead is currently located was vacant land



1 or the construction of the dwelling that constitutes the homestead was  
 2 not completed. The county auditor shall apply the deduction for the  
 3 assessment date and for the assessment date in any later year in which  
 4 the homestead remains eligible for the deduction. A homestead that  
 5 qualifies for the deduction under this section as provided in this  
 6 subsection is considered a homestead for purposes of section 37.5 of  
 7 this chapter and IC 6-1.1-20.6.

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

17 (r) This subsection:

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

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

22 The owner of a mobile home that is not assessed as real property or a  
 23 manufactured home that is not assessed as real property must attach a  
 24 copy of the owner's title to the mobile home or manufactured home to  
 25 the application for the deduction provided by this section.

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

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

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

31 (3) was otherwise eligible, without regard to this subsection, for  
 32 the deduction under this section for the property for the  
 33 assessment date immediately preceding the transfer date specified  
 34 in the order described in subdivision (2).

35 For property to qualify under this subsection for the deduction provided  
 36 by this section, the individual described in subdivisions (1) through (3)  
 37 must submit to the county auditor a copy of the individual's transfer  
 38 orders or other information sufficient to show that the individual was  
 39 ordered to transfer to a location outside Indiana. The property continues  
 40 to qualify for the deduction provided by this section until the individual  
 41 ceases to be on active duty, the property is sold, or the individual's  
 42 ownership interest is otherwise terminated, whichever occurs first.



1 Notwithstanding subsection (a)(2), the property remains a homestead  
 2 regardless of whether the property continues to be the individual's  
 3 principal place of residence after the individual transfers to a location  
 4 outside Indiana. The property continues to qualify as a homestead  
 5 under this subsection if the property is leased while the individual is  
 6 away from Indiana and is serving on active duty, if the individual has  
 7 lived at the property at any time during the past ten (10) years.  
 8 Otherwise, the property ceases to qualify as a homestead under this  
 9 subsection if the property is leased while the individual is away from  
 10 Indiana. Property that qualifies as a homestead under this subsection  
 11 shall also be construed as a homestead for purposes of section 37.5 of  
 12 this chapter.

13 SECTION 2. IC 24-5-0.5-3, AS AMENDED BY P.L.211-2019,  
 14 SECTION 33, AND AS AMENDED BY P.L.242-2019, SECTION 6,  
 15 AND AS AMENDED BY THE TECHNICAL CORRECTIONS BILL  
 16 OF THE 2020 GENERAL ASSEMBLY, IS CORRECTED AND  
 17 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]:  
 18 Sec. 3. (a) A supplier may not commit an unfair, abusive, or deceptive  
 19 act, omission, or practice in connection with a consumer transaction.  
 20 Such an act, omission, or practice by a supplier is a violation of this  
 21 chapter whether it occurs before, during, or after the transaction. An  
 22 act, omission, or practice prohibited by this section includes both  
 23 implicit and explicit misrepresentations.

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

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

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

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

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

41 (5) That replacement or repair constituting the subject of a  
 42 consumer transaction is needed, if it is not and if the supplier



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



- 1           the cost would exceed the estimate in the amounts specified in  
2           clause (A).
- 3           (13) That the replacement or repair constituting the subject of a  
4           consumer transaction is needed, and that the supplier disposes of  
5           the part repaired or replaced earlier than seventy-two (72) hours  
6           after both:
- 7                 (A) the customer has been notified that the work has been  
8                 completed; and
- 9                 (B) the part repaired or replaced has been made available for  
10                examination upon the request of the customer.
- 11           (14) Engaging in the replacement or repair of the subject of a  
12           consumer transaction if the consumer has not authorized the  
13           replacement or repair, and if the supplier knows or should  
14           reasonably know that it is not authorized.
- 15           (15) The act of misrepresenting the geographic location of the  
16           supplier by listing an alternate business name or an assumed  
17           business name (as described in IC 23-0.5-3-4) in a local telephone  
18           directory if:
- 19                 (A) the name misrepresents the supplier's geographic location;  
20                 (B) the listing fails to identify the locality and state of the  
21                 supplier's business;
- 22                 (C) calls to the local telephone number are routinely forwarded  
23                 or otherwise transferred to a supplier's business location that  
24                 is outside the calling area covered by the local telephone  
25                 directory; and
- 26                 (D) the supplier's business location is located in a county that  
27                 is not contiguous to a county in the calling area covered by the  
28                 local telephone directory.
- 29           (16) The act of listing an alternate business name or assumed  
30           business name (as described in IC 23-0.5-3-4) in a directory  
31           assistance data base if:
- 32                 (A) the name misrepresents the supplier's geographic location;  
33                 (B) calls to the local telephone number are routinely forwarded  
34                 or otherwise transferred to a supplier's business location that  
35                 is outside the local calling area; and
- 36                 (C) the supplier's business location is located in a county that  
37                 is not contiguous to a county in the local calling area.
- 38           (17) The violation by a supplier of IC 24-3-4 concerning  
39           cigarettes for import or export.
- 40           (18) The act of a supplier in knowingly selling or reselling a  
41           product to a consumer if the product has been recalled, whether  
42           by the order of a court or a regulatory body, or voluntarily by the



- 1 manufacturer, distributor, or retailer, unless the product has been  
2 repaired or modified to correct the defect that was the subject of  
3 the recall.
- 4 (19) The violation by a supplier of 47 U.S.C. 227, including any  
5 rules or regulations issued under 47 U.S.C. 227.
- 6 (20) The violation by a supplier of the federal Fair Debt  
7 Collection Practices Act (15 U.S.C. 1692 et seq.), including any  
8 rules or regulations issued under the federal Fair Debt Collection  
9 Practices Act (15 U.S.C. 1692 et seq.).
- 10 (21) A violation of IC 24-5-7 (concerning health spa services), as  
11 set forth in IC 24-5-7-17.
- 12 (22) A violation of IC 24-5-8 (concerning business opportunity  
13 transactions), as set forth in IC 24-5-8-20.
- 14 (23) A violation of IC 24-5-10 (concerning home consumer  
15 transactions), as set forth in IC 24-5-10-18.
- 16 (24) A violation of IC 24-5-11 (concerning real property  
17 improvement contracts), as set forth in IC 24-5-11-14.
- 18 (25) A violation of IC 24-5-12 (concerning telephone  
19 solicitations), as set forth in IC 24-5-12-23.
- 20 (26) A violation of IC 24-5-13.5 (concerning buyback motor  
21 vehicles), as set forth in IC 24-5-13.5-14.
- 22 (27) A violation of IC 24-5-14 (concerning automatic  
23 dialing-announcing devices), as set forth in IC 24-5-14-13.
- 24 (28) A violation of IC 24-5-15 (concerning credit services  
25 organizations), as set forth in IC 24-5-15-11.
- 26 (29) A violation of IC 24-5-16 (concerning unlawful motor  
27 vehicle subleasing), as set forth in IC 24-5-16-18.
- 28 (30) A violation of IC 24-5-17 (concerning environmental  
29 marketing claims), as set forth in IC 24-5-17-14.
- 30 (31) A violation of IC 24-5-19 (concerning deceptive commercial  
31 solicitation), as set forth in IC 24-5-19-11.
- 32 (32) A violation of IC 24-5-21 (concerning prescription drug  
33 discount cards), as set forth in IC 24-5-21-7.
- 34 (33) A violation of IC 24-5-23.5-7 (concerning real estate  
35 appraisals), as set forth in IC 24-5-23.5-9.
- 36 (34) A violation of IC 24-5-26 (concerning identity theft), as set  
37 forth in IC 24-5-26-3.
- 38 (35) A violation of IC 24-5.5 (concerning mortgage rescue fraud),  
39 as set forth in IC 24-5.5-6-1.
- 40 (36) A violation of IC 24-8 (concerning promotional gifts and  
41 contests), as set forth in IC 24-8-6-3.
- 42 (37) A violation of IC 21-18.5-6 (concerning representations



1 made by a postsecondary credit bearing proprietary educational  
2 institution), as set forth in IC 21-18.5-6-22.5.

3 *(38) A violation of IC 24-5-15.5 (concerning collection actions of*  
4 *a plaintiff debt buyer), as set forth in IC 24-5-15.5-6.*

5 ~~*(38)*~~ *(39) A violation of IC 24-14 (concerning towing services), as*  
6 *set forth in IC 24-14-10-1.*

7 ~~*(38)*~~ **(40)** *A violation of IC 24-5-14.5 (concerning misleading or*  
8 *inaccurate caller identification information), as set forth in*  
9 *IC 24-5-14.5-12.*

10 **(41) A violation of IC 32-29.5-3 (concerning principal dwelling**  
11 **land contracts).**

12 (c) Any representations on or within a product or its packaging or  
13 in advertising or promotional materials which would constitute a  
14 deceptive act shall be the deceptive act both of the supplier who places  
15 such representation thereon or therein, or who authored such materials,  
16 and such other suppliers who shall state orally or in writing that such  
17 representation is true if such other supplier shall know or have reason  
18 to know that such representation was false.

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

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

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

35 (g) For purposes of subsection (b)(15) and (b)(16), a telephone  
36 company or other provider of a telephone directory or directory  
37 assistance service or its officer or agent is immune from liability for  
38 publishing the listing of an alternate business name or assumed  
39 business name of a supplier in its directory or directory assistance data  
40 base unless the telephone company or other provider of a telephone  
41 directory or directory assistance service is the same person as the  
42 supplier who has committed the deceptive act.



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

5 SECTION 3. IC 32-29.5 IS ADDED TO THE INDIANA CODE AS  
 6 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
 7 2020]:

8 **ARTICLE 29.5. PRINCIPAL DWELLING LAND**  
 9 **CONTRACTS**

10 **Chapter 1. Application**

11 **Sec. 1. This article applies only to a principal dwelling land**  
 12 **contract entered into after June 30, 2020.**

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

16 **(b) For purposes of subsection (a), a seller is considered to sell**  
 17 **real property under a principal dwelling land contract in the**  
 18 **ordinary course of the seller's business if the seller, including one**  
 19 **(1) or more affiliates of the seller, and whether separately or in**  
 20 **total, has at least four (4) outstanding land contracts existing at the**  
 21 **same time.**

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

23 **(1) A depository institution regulated by a state or federal**  
 24 **agency, and subsidiaries owned and controlled by the**  
 25 **depository institution.**

26 **(2) A first lien mortgage lender licensed under IC 24-4.4, and**  
 27 **subsidiaries owned and controlled by the first lien mortgage**  
 28 **lender.**

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

30 **Chapter 2. Definitions**

31 **Sec. 1. The definitions set forth in this chapter apply throughout**  
 32 **this article.**

33 **Sec. 2. "Affiliate" means any person who directly or indirectly**  
 34 **controls, is controlled by, or is under common control of another**  
 35 **person.**

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

39 **Sec. 4. (a) "Principal dwelling land contract" means a land**  
 40 **contract for the sale of real property:**

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





- 1           (2) that is or will be occupied by a buyer as the buyer's
- 2           principal dwelling.
- 3           (b) The term does not include a land contract for the sale of:
- 4           (1) more than ten (10) acres of land; or
- 5           (2) vacant land.
- 6           **Chapter 3. Principal Dwelling Land Contracts and Disclosures**
- 7           **Sec. 1. (a) At least ten (10) days before a principal dwelling land**
- 8           **contract is executed by the parties, the seller shall provide the**
- 9           **buyer with the following:**
- 10           (1) A complete record of any liens encumbering the property,
- 11           including any property tax liens or special assessment liens.
- 12           (2) If the real property is encumbered by one (1) or more
- 13           liens, a statement of the amount of the liens and whether the
- 14           seller will use a specified portion of funds received from the
- 15           buyer under the contract to satisfy the liens.
- 16           (3) The amount of any balloon payment, and when the balloon
- 17           payment is due.
- 18           (4) A disclosure of any known defects that are reasonably
- 19           likely to:
- 20           (A) materially affect the value of the property; or
- 21           (B) require remediation during the period of the principal
- 22           dwelling contract.
- 23           (5) The annual percentage rate of the principal dwelling land
- 24           contract:
- 25           (A) determined under; and
- 26           (B) disclosed in accordance with;
- 27           the federal Truth in Lending Act (Regulation Z; 12 CFR
- 28           1026.22).
- 29           (b) The principal dwelling land contract shall indicate the date
- 30           by which the items enumerated in this section were provided to the
- 31           buyer.
- 32           **Sec. 2. A principal dwelling land contract must permit a buyer**
- 33           **to pay the balance owed on the contract and receive the deed at any**
- 34           **time. A principal dwelling land contract may not impose a**
- 35           **prepayment penalty or additional charge for an early payoff.**
- 36           **Sec. 3. The seller shall record the executed principal dwelling**
- 37           **land contract or memorandum of land contract not later than**
- 38           **thirty (30) days after the contract or memorandum is executed and**
- 39           **notarized. The buyer may record the executed and notarized**
- 40           **contract or memorandum of land contract at any time. The**
- 41           **recording shall be done in the county where the real property is**
- 42           **located.**

