



Reprinted
January 31, 2017

SENATE BILL No. 121

DIGEST OF SB 121 (Updated January 30, 2017 1:58 pm - DI 128)

Citations Affected: IC 32-21.

Synopsis: Adverse possession. Permits an entity exempt from federal income taxation under Section 501 of the Internal Revenue Code from the payment of taxation to claim property by adverse possession.

Effective: July 1, 2017.

Koch, Young M, Randolph Lonnie M

January 4, 2017, read first time and referred to Committee on Civil Law.
January 24, 2017, reported favorably — Do Pass.
January 30, 2017, read second time, amended, ordered engrossed.

SB 121—LS 6271/DI 106



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First Regular Session 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

SENATE BILL No. 121

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 32-21-7-1, AS AMENDED BY P.L.94-2014,
2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2017]: Sec. 1. (a) Except as provided in subsection (b), in an
4 action to establish title to real property, possession of the real property
5 is not adverse to the owner in a manner as to establish title to the real
6 property unless the adverse possessor pays all taxes and special
7 assessments that the adverse possessor reasonably believes in good
8 faith to be due on the real property during the period the adverse
9 possessor claims to have adversely possessed the real property.
10 However, this section does not relieve any adverse possessor from
11 proving all the elements of title by adverse possession required by law.
12 (b) A governmental entity **or an entity exempt from federal**
13 **income taxation under Section 501 of the Internal Revenue Code;**
14 may claim title to real property by adverse possession without having
15 paid all taxes and special assessments due on the real property during
16 the period of adverse possession if **an adjacent property owned by**
17 the ~~governmental~~ entity was exempt from the payment of property

SB 121—LS 6271/DI 106



1 taxes and special assessments during the period of adverse possession.



COMMITTEE REPORT

Madam President: The Senate Committee on Civil Law, to which was referred Senate Bill No. 121, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 121 as introduced.)

HEAD, Chairperson

Committee Vote: Yeas 7, Nays 0

 SENATE MOTION

Madam President: I move that Senate Bill 121 be amended to read as follows:

Page 1, line 12, delete ":".

Page 1, line 13, delete "(1)".

Page 1, line 13, delete ";".

Page 1, line 14, delete "(2) person or other" and insert "**an**".

Page 1, line 14, delete ", with respect to property".

Page 1, line 15, delete "taxation under IC 6-1.1-10;" and insert "**federal income taxation under Section 501 of the Internal Revenue Code;**".

Page 1, run in lines 12 through 16.

Page 2, line 1, after "if" insert "**an adjacent property owned by**".

Page 2, line 1, reset in roman "entity".

Page 2, line 1, delete "real".

Page 2, line 2, delete "property was" and insert "was".

Page 2, line 2, reset in roman "the payment of".

Page 2, line 2, reset in roman "taxes".

Page 2, line 2, delete "taxation".

(Reference is to SB 121 as printed January 25, 2017.)

KOCH

