



March 21, 2017

ENGROSSED
SENATE BILL No. 121

DIGEST OF SB 121 (Updated March 20, 2017 11:52 am - DI 84)

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
(HOUSE SPONSOR — STEUERWALD)

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.
January 31, 2017, engrossed. Technical correction, read third time, passed. Yeas 49,
nays 0.
February 1, 2017, re-engrossed.
HOUSE ACTION
March 13, 2017, read first time and referred to Committee on Judiciary.
March 20, 2017, reported — Do Pass.

ES 121—LS 6271/DI 106



March 21, 2017

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.

ENGROSSED 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

ES 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



COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure reports that pursuant to Senate Rule 35(c), the following technical corrections are to be made to Engrossed Senate Bill 121. Page 1, line 13, after "Code" delete ";".

(Reference is to SB 121 as reprinted January 31, 2017.)

LONG, Chairperson

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred Senate Bill 121, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to SB 121 as reprinted February 1, 2017.)

STEUERWALD

Committee Vote: Yeas 12, Nays 0

