
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: County Treasurers and Township and County Assessors

FROM: Courtney L. Schaafsma, Commissioner

RE: Manufactured (Mobile) Home Matters, Including 2016 Legislative Changes

DATE: April 11, 2016

The Department of Local Government Finance (“Department”) issues this memorandum for two purposes. First, on March 24, 2016, Governor Pence signed into law House Enrolled Act 1087-2016 (“HEA 1087”), which introduces several legislative changes concerning manufactured homes (or “mobile homes”). This memorandum addresses these changes, which were effective upon passage of the bill. Second, this memorandum addresses the issue of tax liability for mobile homes and rescinds a memorandum the Department issued in 2014. Please note that this memorandum is intended to be an informative bulletin; it is not a substitute for reading the law.

I. Legislative Changes Affecting Mobile Homes

HEA 1087 amends IC 6-1.1-7-10 so that a county treasurer must issue a permit required to either move, or transfer the title to, a mobile home if the taxes, *special assessments, interest, penalties, judgments, and costs that are due and payable* on the mobile home have been paid. Previously the law referred only to taxes due on a mobile home.

HEA 1087 also amends IC 6-1.1-7-10.4 to say that the obligation of an owner of a mobile home who sells the mobile home to provide the purchaser with a permit to transfer title does not apply to a mobile home offered for sale at auction under IC 9-22-1.5 or IC 9-22-1.7 (a new chapter of the Indiana Code governing abandoned manufactured homes in mobile home communities) for the transfer resulting from the auction.

Finally, HEA 1087 amends IC 6-1.1-7-11 so that a person who is engaged to move a mobile home may not provide that service unless the owner presents the mover with a permit to move the mobile home and the permit is dated not more than 90 days (rather than one month) before the date of the proposed move.

II. Liability for Taxes on Mobile Homes

Although there were no 2016 legislative changes concerning the liability of a person for taxes on a mobile home, the Department is aware of confusion among counties as to identifying the correct party responsible for taxes on a mobile home. The Department issued a memorandum on this topic in 2014 (available at <http://www.in.gov/dlgf/files/pdf/140425 - Vincent Memo - Mobile Home Matters.pdf>) and hereby rescinds that publication.

Regarding **personal property** mobile homes (meaning dwellings that are factory-assembled, transportable, intended for year-round occupancy, exceed 35 feet in length, and are designed either for transportation on their own chassis or placement on a temporary foundation), IC 6-1.1- 7-7 provides that “The owner of a mobile home on the assessment date of a year is liable for the taxes imposed upon the mobile home for that year.”

By way of example, if on the assessment date Bob owns a piece of land and Phil owns a mobile home **assessed as personal property** that is located on Bob’s land, Phil is liable for the taxes imposed on that mobile home. There is no joint liability with Bob. If on the assessment date Sam occupied Phil’s mobile home, Phil would still be legally responsible for the taxes on that mobile home.

If a semi-annual installment of taxes imposed for a year upon a **personal property** mobile home is not paid on or before the due date, the same penalties apply that are imposed under IC 6-1.1- 37-10 for the late payment of property taxes. In addition, the mobile home and the personal property of a delinquent taxpayer must be levied upon and sold in the same manner that a taxpayer’s personal property is levied upon and sold under IC 6-1.1-23 for the non-payment of personal property taxes.

If a person owns a mobile home **assessed as real property** that is located on property owned by another person, IC 6-1.1-2-4(b) could be applicable. This statute provides, in part, that:

An owner on the assessment date of a year of real property that has an improvement or appurtenance that is:

- (1) assessed as real property; and
- (2) owned, held, possessed, controlled, or occupied on the assessment date of a year by a person other than the owner of the land;

is jointly liable for the taxes imposed for the year on the improvement or appurtenance with the person holding, possessing, controlling, or occupying the improvement or appurtenance on the assessment date.

By way of example, if on the assessment date John owns a piece of land and Bill owns a mobile home **assessed as real property** that is located on John’s land, John and Bill are jointly liable for the taxes imposed on the mobile home. **Note that** IC 6-1.1-2-4(b) pertains only to improvements and appurtenances **assessed as real property**.

The Department will be updating several of its state forms to account for the information documented in this memorandum.

Contact Information

Questions may be directed to General Counsel Mike Duffy at (317) 233-9219 or mduffy@dlgf.in.gov.