

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 232-8779

TO: County Assessors and County Auditors
FROM: Barry Wood, Assessment Division Director *JBW*
RE: Manufactured Housing Circuit Breaker Clarification
DATE: January 27, 2012

The Department of Local Government Finance (the "Department") previously issued guidance regarding the Circuit Breakers (see <http://www.in.gov/dlgf/files/Memo-CircuitBreakers.pdf> ; <http://www.in.gov/dlgf/files/Memo-PropertyClassCodes-and-CircuitBreakerCaps.pdf> ; and <http://www.in.gov/dlgf/files/Memo-PropertyClassCodes-and-CircuitBreakerCaps12-08.pdf>). The purpose of this memorandum is to provide additional guidance, particularly for manufactured housing and manufactured housing communities.

In the December 1, 2008 guidance, the following Use Codes and Circuit Breaker allocations for manufactured housing (mobile homes) and manufactured housing communities were identified:

<u>Use Code</u>	<u>Description</u>	<u>Circuit Breaker Value</u>
141	Agricultural Land with Mobile Home	1 or 2; and 3 [^]
149	Agricultural Land with PP Mobile Home	1 or 2; and 3 [^]
415	Commercial Mobile Home Parks	1, 2, or 3 [^]
540	Residential Mobile/Manufactured Home Dwelling on a Platted Lot	1 or 2 [^]
541	Residential Mobile/Manufactured Home Dwelling on Unplatted Land of 0 – 9.99 Acres	1 or 2; and 3 [^]
542	Residential Mobile/Manufactured Home Dwelling on Unplatted Land of 10 – 19.99 Acres	1 or 2; and 3 [^]
543	Residential Mobile/Manufactured Home Dwelling on Unplatted Land of 20 – 29.99 Acres	1 or 2; and 3 [^]
544	Residential Mobile/Manufactured Home Dwelling on Unplatted Land of 30 – 39.99 Acres	1 or 2; and 3 [^]
545	Residential Mobile/Manufactured Home Dwelling on Unplatted Land of 40 or More Acres	1 or 2; and 3 [^]
590	Residential PP Mobile Home (Plat)	1 or 2; and 3 [^]
591	Residential PP Mobile Home (No Plat)	1 or 2; and 3 [^]

[^] If homestead (1%); If not homestead = residential property (2%); Non-residential (3%).

Additionally, in the June 2, 2008 guidance, on page 3 of 13, it was stated:

“Land rented or leased for the placement of a manufactured home or mobile home, **including any common areas shared by the manufactured homes or mobile homes** is residential real property [bold added by HEA 1125 (P.L. 131-2008), Section 4 to HEA 1001, as amended, effective January 1, 2009]. **The Department interprets this section to include mobile home parks as ‘residential property’ for purposes of the Circuit Breaker Credit.**”

The Department received a question regarding the applicable circuit breaker for common areas, and per site yard items, for manufactured housing and manufactured housing communities. The recently released 2012 Commercial and Industrial Cost Schedules (see page 39 of Appendix G - http://www.in.gov/dlgf/files/2011_Appendix_G_v_1_8.pdf), contains the cost per site for components such as sewers, water, gas and electric for mobile home parks. Based on the interpretation above, the common areas, and the per site yard items that would presumably be necessary in a manufactured housing community should receive the **2%** circuit breaker allocation. However, consistent with our guidance for the allocation for common areas in apartment complexes, the land between mobile or manufactured homes should receive a **3%** cap.

Other items associated with manufactured homes, such as wood decks, patios, etc., which are attached, would receive the 1% or 2% cap (much like a house – it depends if it is a homestead eligible property). Finally, other improvements that do not fall under the definition of a homestead or residential property per IC 6-1.1-20.6-2.5 would receive the **3%** circuit breaker allocation. For example, in a manufactured housing community, this might include other storage buildings used for community assets such as lawn mowers, etc. These allocations should be applied for the March 1, 2011 pay 2012 assessment year.

If you have any questions, please contact your Assessment Division field representative or Barry Wood at (317) 232-3762 or bwood@dlgf.in.gov.