

February 16, 1998

ENGROSSED SENATE BILL No. 382

DIGEST OF SB 382 (Updated February 16, 1998 1:21 pm - DI 58)

Citations Affected: IC 6-1.1; IC 6-3.1; IC 6-6; IC 20-5; IC 36-2; IC 36-4; IC 36-6; IC 36-7; noncode.

Synopsis: Property taxation. Reestablishes a county land valuation commission in each county. Requires the county property tax assessment board of appeals to oversee setting land values. Requires a request for an appropriation from the property reassessment fund to be submitted to the county assessor at the same time the request is submitted to the fiscal body. Removes the provision declaring that true tax value does not mean fair market value. For purposes of the two property tax deductions for rehabilitation of property, provides that: (1) the repair, replacement, or improvement must be significant and must be made to an existing structure; and (2) the deduction is reduced each year by 20%. Reconciles a conflict between two statutes that in 1997 amended the provision concerning property tax deduction for rehabilitation of real property. Requires data used for assessments to be computerized and updated annually beginning in 2002. Changes the
(Continued next page)

Effective: See text of bill.

Mills, Gery, Merritt, Howard, Landske

(HOUSE SPONSORS — BAUER, BUELL, SCHOLER, KLINKER, KRUZAN)

January 12, 1998, read first time and referred to Committee on Finance.
January 26, 1998, amended, reported favorably — Do Pass.
January 29, 1998, read second time, ordered engrossed. Engrossed.
January 30, 1998, read third time, passed. Yeas 49, nays 0.

HOUSE ACTION

February 4, 1998, read first time and referred to Committee on Ways and Means.
February 16, 1998, amended, reported — Do Pass.

ES 382—LS 7160/DI 73+



C
O
P
Y

filing of exemption applications from the county auditor to the county assessor. Requires that the state tax board rules provide for assessing nonagricultural land using comparable sales, agricultural land using income capitalization, and improvements on the basis of reproduction costs less depreciation. Provides that taxpayers may obtain the information used to value land. Requires the state board of tax commissioners to create a record of proceedings when an appeal to the tax court is made. Requires the state board of tax commissioners to accommodate all enrollees for the examinations for level one and level two appraisers. Requires the state tax board to provide level one and two examinations that coordinate with training sessions. Requires the state board of tax commissioners to revoke the certification of level one or level two assessors if fraud or misrepresentation occurs after notice and a hearing. Requires the state board of tax commissioners to adopt rules for revoking a certification. Provides that in Marion County (as in all other counties) the county auditor forwards sales disclosure forms to the county assessor. Eliminates the requirement that the sales disclosure forms be sent to the township assessor. Provides that in Marion County and Lake County, the county property tax assessment board of appeals must hold a hearing on a petition within 180 days (rather than 90 days). Provides that the property tax exemption for certain property that is stored in Indiana for shipment to an out of state destination and is in its original package also applies to property that is not stored in its original package if packaging is not practical until receipt of a final customer order. Provides a property tax exemption for real property that is owned by a nonprofit organization and is under or adjacent to a lake or reservoir created by a dam or control structure owned and operated by a public utility. Provides a property tax exemption for real property that is owned by a nonprofit organization and is used in the organization's efforts to protect the environment and the water quality of the lake or reservoir. Provides nonprofit radio and television stations, 4-H organizations, and Southern Indiana Higher Education Inc., with an exemption from property taxes. Provides nonprofit corporations acting as small business incubators with an exemption from property taxes to the extent of property used for small business incubation. Requires an annual application for an exemption for small business incubation. Changes the annual property tax filings required to obtain the deduction for new manufacturing equipment. Removes the right a local unit to waive a statement of benefits an investment is at \$10,000,000. Specifies that a local unit may extend the compliance deadline for a statement of benefits. . Provides that property tax abatement deductions may be granted for any number of years less than or equal to ten years, except residential which is limited to five years. (Current law limits the abatement deduction to three, six, or ten years for real property and five or ten years for personal property.) Provides that certain research and development equipment is eligible for property tax abatement deductions. Allows the abatement deduction for research and development equipment only if the equipment is used in a research and development facility engaged in activities devoted directly and exclusively to experimental or laboratory research and development for new products, new uses of existing products, or improving or testing existing products. Requires county auditors to provide notice to the state board of tax commissioners and also to taxing units when an assessed value appeal is filed, if at least 1% of the assessed value of the unit is affected. Requires the division of appeals of the state board of tax commissioners to provide notice of a hearing on a petition for review to the affected taxing units, if at least 1% of the assessed value of the unit is affected. Requires a county executive to appeal to the tax court upon the request of an affected taxing unit if a final determination of the state board of tax commissioners would result in a claim for a

(Continued next page)



C
O
P
Y

refund that exceeds the lesser of: (1) \$800,000; or (2) an amount equal to 10% of the aggregate tax levies of any taxing unit in the county for that year. Requires the affected taxing unit to pay the cost of the appeal if it is at its request. Provides that the property taxes resulting from an assessment or increase in assessment may be paid when a petition for review or an appeal to the tax court regarding an assessment or increase in assessment is pending if the amount of assessed value in question is at least \$500,000. Requires a county treasurer to deposit the property taxes resulting from the contested assessment or increase in assessment in an interest bearing reserve account. Provides that refunds are first paid from the reserve account. Requires the rules of the state board of tax commissioners to include instructions for determining the starting point for the valuation of used depreciable personal property after a sale or transfer of the property. Provides for the repayment of refunds that exceed \$100,000 in not more than four annual installments if the money is not in an escrow account. Requires a taxing unit to deposit the property taxes and interest in the unit's levy excess fund if the assessment or increase in assessment is upheld. Requires the county auditor to certify the amount of contested valuation as of July 15 to the fiscal officer of each political subdivision in the county. Requires the county auditor instead of the county assessor to verify residences for motor vehicle excise tax purposes. Requires a political subdivision to take into consideration the amount of contested assessed valuation when calculating the tax levy that is to be made for the ensuing budget year. Requires a level two county assessor to be paid \$1,000 more than an individual who is not a level two assessor. Allows a municipality or county to request a local advisory commission on industrial development to designate an area as a community revitalization enhancement district. Provides that the advisory commission may designate an area as a community revitalization enhancement district only if: (1) the area contains a building or buildings with at least 1,000,000 square feet of usable interior floor space or at least 500 and not more than 750 acres of property zoned for industrial use; (2) at least 1,000 fewer persons are employed in the area than were employed in the area ten years previously; (3) certain specified obstacles to redevelopment of the area exist; and (4) the unit has expended, appropriated, or pledged at least \$100,000 for purposes of addressing the redevelopment obstacles. Provides that the duration of the district may not exceed 15 years. Provides a credit against certain state and local tax liability for a taxpayer that makes an investment for the redevelopment or rehabilitation of property located within a community revitalization enhancement district. Provides that the credit is equal to 25% of the investment. Provides that the incremental amount of state and local income taxes and state gross retail taxes collected from a community revitalization enhancement district shall be distributed to the district for deposit in the district's industrial development fund. Provides that a unit may use this revenue to pay bonds issued to finance the redevelopment in a community revitalization enhancement district. Requires the department of commerce to: (1) adopt rules implementing the economic development incentive accountability program; and (2) report annually to the governor, lieutenant governor, and the general assembly on the implementation of the program. Requires the fiscal officer of a second class city and each school corporation treasurer to examine tax duplicates and property tax assessments for proper form concerning city taxes. Permits Indianapolis and Lafayette to retroactively grant tax abatements that were offered to a property owner if the property owner has fulfilled all expectations.

C
O
P
Y



February 16, 1998

Second Regular Session 110th General Assembly (1998)

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 1997 General Assembly.

ENGROSSED SENATE BILL No. 382

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-4-12 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 12. If land
3 assessed on an acreage basis is subdivided into lots, the land shall be
4 reassessed on the basis of lots. If land is rezoned for, or put to, a
5 different use, the land shall be reassessed on the basis of its new
6 classification **to determine the new true tax value**. If improvements
7 are added to real property, the improvements shall be assessed. An
8 assessment or reassessment made under this section is effective on the
9 next assessment date. However, if land assessed on an acreage basis is
10 subdivided into lots, the lots may not be reassessed until the next
11 assessment date following a transaction which results in a change in
12 legal or equitable title to that lot. No petition to the state board of tax
13 commissioners is necessary with respect to an assessment or
14 reassessment made under this section.

15 SECTION 2. IC 6-1.1-4-13.6, AS AMENDED BY P.L.6-1997,

ES 382—LS 7160/DI 73+



C
O
P
Y

1 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 1997 (RETROACTIVE)]: Sec. 13.6. (a) A county land
3 valuation commission (referred to in this section as the
4 "commission") is established in each county for the purpose of
5 determining the value of commercial, industrial, and residential
6 land (including farm homesites) in the county.

7 (b) The county assessor is chairperson of the commission.

8 (c) The members of the commission are as follows:

9 (1) The county assessor.

10 (2) One (1) township assessor from the county, to be
11 appointed by the county executive (as defined in IC 36-1-2-5).

12 (3) One (1) township assessor from the county, to be
13 appointed by all of the township assessors in the county by
14 majority vote. In case of a tie vote, the county assessor shall
15 cast a vote to break that tie.

16 (4) One (1) county resident who:

17 (A) holds a license under IC 25-34.1-3 as a salesperson or
18 broker; and

19 (B) is appointed by the county executive (as defined in
20 IC 36-1-2-5).

21 (5) Four (4) individuals who:

22 (A) are appointed by the county fiscal body (as defined in
23 IC 36-1-2-6); and

24 (B) each represent one (1) of the following four (4) types of
25 land in the county:

26 (i) Agricultural.

27 (ii) Commercial.

28 (iii) Industrial.

29 (iv) Residential.

30 (6) One (1) individual who:

31 (A) is appointed by the county executive (as defined in
32 IC 36-1-2-5); and

33 (B) represents financial institutions in the county.

34 (d) The term of each member of the commission begins
35 November 1, two (2) years before the commencement of the
36 general reassessment under IC 6-1.1-4-4, and ends January 1 of the
37 year the general reassessment commences under IC 6-1.1-4-4. The
38 appointing authority may fill any vacancy for the remainder of the
39 vacated term.

40 ~~(a)~~ (e) The township assessor commission shall determine the
41 values of all classes of commercial, industrial, and residential land
42 (including farm homesites) in the township county using guidelines



C
O
P
Y

1 determined by the state board of tax commissioners. Not later than
 2 November 1 of the year preceding the year in which a general
 3 reassessment ~~becomes effective; the assessor commences.~~ **The**
 4 **commission** determining the values of land shall submit the values, **all**
 5 **data supporting the values, and all information required under**
 6 **rules of the state board of tax commissioners relating to the**
 7 **determination of land values** to the county property tax assessment
 8 board of appeals. Not later than December 1 of the year preceding the
 9 year in which a general reassessment ~~becomes effective; commences,~~
 10 the county property tax assessment board of appeals shall hold a public
 11 hearing in the county concerning those values. The property tax
 12 assessment board of appeals shall give notice of the hearing in
 13 accordance with IC 5-3-1 and shall hold the hearing after March 31 and
 14 before ~~December~~ **January** 1 of the year ~~preceding the year~~ in which
 15 the general reassessment under IC 6-1.1-4-4 ~~becomes effective;~~
 16 **commences.**

17 ~~(b)~~ **(f)** The county property tax assessment board of appeals shall
 18 review the values, **data, and information** submitted under subsection
 19 ~~(a)~~ **(e)** and may make any modifications it considers necessary to
 20 provide uniformity and equality. The county property tax assessment
 21 board of appeals shall coordinate the valuation of property adjacent to
 22 the boundaries of the county with the county property tax assessment
 23 boards of appeals of the adjacent counties using the procedures adopted
 24 by rule under IC 4-22-2 by the state board of tax commissioners. If the
 25 ~~county assessor or township assessor~~ **commission** fails to submit land
 26 values under subsection ~~(a)~~ **(e)** to the county property tax assessment
 27 board of appeals before ~~November~~ **January** 1 of the year ~~before the~~
 28 ~~date~~ the general reassessment under IC 6-1.1-4-4 ~~becomes effective;~~
 29 **commences**, the county property tax assessment board of appeals shall
 30 determine the values. ~~If the county property tax assessment board of~~
 31 ~~appeals fails to determine the values before the general reassessment~~
 32 ~~becomes effective; the state board of tax commissioners shall~~
 33 ~~determine the values.~~

34 **(g)** The county property tax assessment board of appeals shall
 35 **give notice to the county and township assessors of its decision on**
 36 **the values. The notice must be given before March 1 of the year the**
 37 **general reassessment under IC 6-1.1-4-4 commences. Within**
 38 **twenty (20) days after that notice, the county assessor or a**
 39 **township assessor in the county may request that the county**
 40 **property tax assessment board of appeals reconsider the values.**
 41 **The county property tax assessment board of appeals shall hold a**
 42 **hearing on the reconsideration in the county. The county property**



C
O
P
Y

1 tax assessment board of appeals shall give notice of the hearing
2 under IC 5-3-1.

3 (h) A taxpayer may appeal the value determined under this
4 section as applied to the taxpayer's land as part of an appeal filed
5 under IC 6-1.1-15-1. If a taxpayer that files an appeal under
6 IC 6-1.1-15 requests the values, data, or information received by
7 the county property tax assessment board of appeals under
8 subsection (e), the county property tax assessment board of appeals
9 shall satisfy the request. The state board of tax commissioners may
10 modify the taxpayer's land value and the value of any other land
11 in the township, county where the taxpayer's land is located, or the
12 adjacent county if the state board of tax commissioners determines
13 it is necessary to provide uniformity and equality.

14 (e) (i) The county assessor shall notify all township assessors in the
15 county of the values as ~~modified by the county property tax assessment~~
16 ~~board of appeals: determined by the commission and as modified by~~
17 ~~the county property tax assessment board of appeals or state board~~
18 ~~under this section.~~ Township assessors shall use the values determined
19 under this section.

20 SECTION 3. IC 6-1.1-4-28, AS AMENDED BY P.L.6-1997,
21 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JANUARY 1, 1999]: Sec. 28. (a) Money assigned to a property
23 reassessment fund under section 27 of this chapter may be used only to
24 pay the costs of:

- 25 (1) the general reassessment of real property, including the
- 26 computerization of assessment records;
- 27 (2) payments to county assessors, members of property tax
- 28 assessment boards of appeals, or assessing officials under
- 29 IC 6-1.1-35.2;
- 30 (3) the development or updating of detailed soil survey data by
- 31 the United States Department of Agriculture or its successor
- 32 agency;
- 33 (4) the updating of plat books; and
- 34 (5) payments for the salary of permanent staff or for the
- 35 contractual services of temporary staff who are necessary to assist
- 36 county assessors, members of a county property tax assessment
- 37 board of appeals, and assessing officials.

38 (b) All counties shall use modern, detailed soil maps in the general
39 reassessment of agricultural land.

40 (c) The county treasurer of each county shall, in accordance with
41 IC 5-13-9, invest any money accumulated in the property reassessment
42 fund until the money is needed to pay general reassessment expenses.



C
O
P
Y

1 Any interest received from investment of the money shall be paid into
2 the property reassessment fund.

3 (d) An appropriation under this section ~~must~~ **may not** be approved
4 by the fiscal body of the county ~~after the review and until after the~~
5 **fiscal body considers the** recommendation of the county assessor.
6 However, in a county with an elected township assessor under
7 ~~IC 36-6-5-1~~ **IC 36-6-5-1** in every township, only the fiscal body must
8 approve an appropriation under this section. **A request for an**
9 **appropriation under this section must be submitted to the county**
10 **assessor at the same time the request is submitted to the fiscal**
11 **body.**

12 SECTION 4. IC 6-1.1-5.5-3, AS AMENDED BY P.L.6-1997,
13 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JANUARY 1, 1999]: Sec. 3. (a) Before filing a conveyance document
15 with the county auditor under IC 6-1.1-5-4, all the parties to the
16 conveyance must complete and sign a sales disclosure form as
17 prescribed by the state board of tax commissioners under section 5 of
18 this chapter. All the parties may sign one (1) form, or if all the parties
19 do not agree on the information to be included on the completed form,
20 each party may sign and file a separate form.

21 (b) Except as provided in subsection (c), the auditor shall forward
22 each sales disclosure form to the county assessor. The county assessor
23 shall forward the sales disclosure form to the state board of tax
24 commissioners and, **upon request**, to the appropriate township
25 assessor. The county assessor shall retain a copy of the sales disclosure
26 form for the purposes established in IC 6-1.1-4-13.6. ~~and shall forward~~
27 ~~a copy to the township assessors in the county.~~

28 ~~(c) In a county containing a consolidated city, the auditor shall~~
29 ~~forward the sales disclosure form to the appropriate township assessor.~~
30 ~~The township assessor shall forward the sales disclosure form to the~~
31 ~~state board of tax commissioners. The township assessor may retain a~~
32 ~~copy of the sales disclosure form for the purposes established in~~
33 ~~IC 6-1.1-4-13.6.~~

34 SECTION 5. IC 6-1.1-10-16, AS AMENDED BY P.L.6-1997,
35 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JANUARY 1, 1999]: Sec. 16. (a) All or part of a building is exempt
37 from property taxation if it is owned, occupied, and used by a person
38 for educational, literary, scientific, religious, or charitable purposes.

39 (b) A building is exempt from property taxation if it is owned,
40 occupied, and used by a town, city, township, or county for educational,
41 literary, scientific, fraternal, or charitable purposes.

42 (c) A tract of land, including the campus and athletic grounds of an

C
O
P
Y



- 1 educational institution, is exempt from property taxation if:
- 2 (1) a building which is exempt under subsection (a) or (b) is
- 3 situated on it; and
- 4 (2) the tract does not exceed:
- 5 (A) fifty (50) acres in the case of:
- 6 (i) an educational institution; or
- 7 (ii) a tract that was exempt under this subsection on March
- 8 1, 1987; or
- 9 (B) fifteen (15) acres in all other cases.
- 10 (d) A tract of land is exempt from property taxation if:
- 11 (1) it is purchased for the purpose of erecting a building which is
- 12 to be owned, occupied, and used in such a manner that the
- 13 building will be exempt under subsection (a) or (b);
- 14 (2) the tract does not exceed:
- 15 (A) fifty (50) acres in the case of:
- 16 (i) an educational institution; or
- 17 (ii) a tract that was exempt under this subsection on March
- 18 1, 1987; or
- 19 (B) fifteen (15) acres in all other cases; and
- 20 (3) not more than three (3) years after the property is purchased,
- 21 and for each year after the three (3) year period, the owner
- 22 demonstrates substantial progress towards the erection of the
- 23 intended building and use of the tract for the exempt purpose. To
- 24 establish that substantial progress is being made, the owner must
- 25 prove the existence of factors such as the following:
- 26 (A) Organization of and activity by a building committee or
- 27 other oversight group.
- 28 (B) Completion and filing of building plans with the
- 29 appropriate local government authority.
- 30 (C) Cash reserves dedicated to the project of a sufficient
- 31 amount to lead a reasonable individual to believe the actual
- 32 construction can and will begin within three (3) years.
- 33 (D) The breaking of ground and the beginning of actual
- 34 construction.
- 35 (E) Any other factor that would lead a reasonable individual to
- 36 believe that construction of the building is an active plan and
- 37 that the building is capable of being completed within six (6)
- 38 years considering the circumstances of the owner.
- 39 (e) Personal property is exempt from property taxation if it is owned
- 40 and used in such a manner that it would be exempt under subsection (a)
- 41 or (b) if it were a building.
- 42 (f) A hospital's property which is exempt from property taxation

C
O
P
Y



1 under subsection (a), (b), or (e) shall remain exempt from property
 2 taxation even if the property is used in part to furnish goods or services
 3 to another hospital whose property qualifies for exemption under this
 4 section.

5 (g) Property owned by a shared hospital services organization which
 6 is exempt from federal income taxation under Section 501(c)(3) or
 7 501(e) of the Internal Revenue Code is exempt from property taxation
 8 if it is owned, occupied, and used exclusively to furnish goods or
 9 services to a hospital whose property is exempt from property taxation
 10 under subsection (a), (b), or (e).

11 (h) This section does not exempt from property tax an office or a
 12 practice of a physician or group of physicians that is owned by a
 13 hospital licensed under IC 16-21-1 or other property that is not
 14 substantially related to or supportive of the inpatient facility of the
 15 hospital unless the office, practice, or other property:

16 (1) provides or supports the provision of charity care (as defined
 17 in IC 16-18-2-52.5), including providing funds or other financial
 18 support for health care services for individuals who are indigent
 19 (as defined in IC 16-18-2-52.5(b) and ~~IC 16-8-2-52.5(c)~~;
 20 **IC 16-18-2-52.5(c)**); or

21 (2) provides or supports the provision of community benefits (as
 22 defined in IC 16-21-9-1), including research, education, or
 23 government sponsored indigent health care (as defined in
 24 IC 16-21-9-2).

25 However, participation in the Medicaid or Medicare program alone
 26 does not entitle an office, practice, or other property described in this
 27 subsection to an exemption under this section.

28 (i) A tract of land or a tract of land plus all or part of a structure on
 29 the land is exempt from property taxation if:

30 (1) the tract is acquired for the purpose of erecting, renovating, or
 31 improving a single family residential structure that is to be given
 32 away or sold:

33 (A) in a charitable manner;

34 (B) by a nonprofit organization; and

35 (C) to low income individuals who will:

36 (i) use the land as a family residence; and

37 (ii) not have an exemption for the land under this section;

38 (2) the tract does not exceed three (3) acres;

39 (3) the tract of land or the tract of land plus all or part of a
 40 structure on the land is not used for profit while exempt under this
 41 section; and

42 (4) not more than three (3) years after the property is acquired for

C
O
P
Y



1 the purpose described in subdivision (1), and for each year after
 2 the three (3) year period, the owner demonstrates substantial
 3 progress towards the erection, renovation, or improvement of the
 4 intended structure. To establish that substantial progress is being
 5 made, the owner must prove the existence of factors such as the
 6 following:

7 (A) Organization of and activity by a building committee or
 8 other oversight group.

9 (B) Completion and filing of building plans with the
 10 appropriate local government authority.

11 (C) Cash reserves dedicated to the project of a sufficient
 12 amount to lead a reasonable individual to believe the actual
 13 construction can and will begin within six (6) years of the
 14 initial exemption received under this subsection.

15 (D) The breaking of ground and the beginning of actual
 16 construction.

17 (E) Any other factor that would lead a reasonable individual to
 18 believe that construction of the structure is an active plan and
 19 that the structure is capable of being:

20 (i) completed; and

21 (ii) transferred to a low income individual who does not
 22 receive an exemption under this section;

23 within six (6) years considering the circumstances of the
 24 owner.

25 (j) An exemption under subsection (i) terminates when the property
 26 is conveyed by the nonprofit organization to another owner. When the
 27 property is conveyed to another owner, the nonprofit organization
 28 receiving the exemption must file a certified statement with the ~~auditor~~
 29 **assessor** of the county, notifying the ~~auditor assessor~~ of the change not
 30 later than sixty (60) days after the date of the conveyance. **The county**
 31 **assessor shall forward a copy of the certified statement to the**
 32 **county auditor.** A nonprofit organization that fails to file the statement
 33 required by this subsection is liable for the amount of property taxes
 34 due on the property conveyed if it were not for the exemption allowed
 35 under this chapter.

36 (k) If property is granted an exemption in any year under subsection
 37 (i) and the owner:

38 (1) ceases to be eligible for the exemption under subsection (i)(4);

39 (2) fails to transfer the tangible property within six (6) years after
 40 the assessment date for which the exemption is initially granted;

41 or

42 (3) transfers the tangible property to a person who:

C
O
P
Y



- 1 (A) is not a low income individual; or
 2 (B) does not use the transferred property as a residence for at
 3 least one (1) year after the property is transferred;
 4 the person receiving the exemption shall notify the county recorder and
 5 the county ~~auditor~~ **assessor** of the county in which the property is
 6 located not later than sixty (60) days after the event described in
 7 subdivision (1), (2), or (3) occurs. **The county assessor shall inform**
 8 **the county auditor of a notification received under this subsection.**
 9 (l) If subsection (k)(1), (k)(2), or (k)(3) applies, the owner shall pay,
 10 not later than the date that the next installment of property taxes is due,
 11 an amount equal to the sum of the following:
 12 (1) The total property taxes that, if it were not for the exemption
 13 under subsection (i), would have been levied on the property in
 14 each year in which an exemption was allowed.
 15 (2) Interest on the property taxes at the rate of ten percent (10%)
 16 per year.
 17 (m) The liability imposed by subsection (l) is a lien upon the
 18 property receiving the exemption under subsection (i). An amount
 19 collected under subsection (l) shall be collected as an excess levy. If
 20 the amount is not paid, it shall be collected in the same manner that
 21 delinquent taxes on real property are collected.
 22 SECTION 6. IC 6-1.1-10-16.5 IS ADDED TO THE INDIANA
 23 CODE AS A NEW SECTION TO READ AS FOLLOWS
 24 [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: **Sec. 16.5. (a)**
 25 **A tract of real property owned by a nonprofit public benefit**
 26 **corporation (as defined in IC 23-17-2-23) is exempt from property**
 27 **taxation if all of the following apply:**
 28 (1) **The tract is located:**
 29 (A) **under a lake or reservoir; or**
 30 (B) **adjacent to a lake or reservoir.**
 31 (2) **The lake or reservoir under which or adjacent to which**
 32 **the tract is located was formed by a dam or control structure**
 33 **owned and operated by a public utility for the generation of**
 34 **hydroelectric power.**
 35 (3) **The public benefit corporation that owns the tract is**
 36 **exempt from federal income taxation under Section 501(c)(3)**
 37 **of the Internal Revenue Code and has maintained its tax**
 38 **exempt status for the previous three (3) years.**
 39 (4) **The public benefit corporation that owns the tract is**
 40 **primarily engaged in active efforts to protect and enhance the**
 41 **environment and water quality of the lake or reservoir under**
 42 **which or adjacent to which the tract is located in order to**



C
O
P
Y

1 **facilitate the public recreational use of the lake or reservoir.**
 2 **(b) A tract of real property owned by a nonprofit public benefit**
 3 **corporation described in subsection (a) is exempt from property**
 4 **taxation if the tract is used by the public benefit corporation in the**
 5 **public benefit corporation's efforts to enhance the environment**
 6 **and water quality of a lake or reservoir described in subsection (a).**

7 SECTION 7. IC 6-1.1-10-21 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 21. (a) The
 9 following tangible property is exempt from property taxation if it is
 10 owned by, or held in trust for the use of, a church or religious society:

- 11 (1) A building which is used for religious worship.
- 12 (2) Buildings that are used as parsonages.
- 13 (3) The pews and furniture contained within a building which is
 14 used for religious worship.
- 15 (4) The tract of land, not exceeding fifteen (15) acres, upon which
 16 a building described in this section is situated.

17 (b) To obtain an exemption for parsonages, a church or religious
 18 society must provide the county ~~auditor~~ **assessor** with an affidavit at
 19 the time the church or religious society applies for the exemptions. The
 20 affidavit must state that:

- 21 (1) all parsonages are being used to house one (1) of the church's
 22 or religious society's rabbis, priests, preachers, ministers, or
 23 pastors; and
- 24 (2) none of the parsonages are being used to make a profit.

25 The affidavit shall be signed under oath by the church's or religious
 26 society's head rabbi, priest, preacher, minister, or pastor. **The county**
 27 **assessor shall forward a copy of the affidavit to the county auditor.**

28 SECTION 8. IC 6-1.1-10-25 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 25. (a) Subject to the
 30 limitations contained in subsection (b), ~~of this section~~, tangible
 31 property is exempt from property taxation if it is owned by any of the
 32 following organizations:

- 33 (1) The Young Men's Christian Association.
- 34 (2) The Salvation Army, Inc.
- 35 (3) The Knights of Columbus.
- 36 (4) The Young Men's Hebrew Association.
- 37 (5) The Young Women's Christian Association.
- 38 (6) A chapter or post of Disabled American Veterans of World
 39 War I or II.
- 40 (7) A chapter or post of the Veterans of Foreign Wars.
- 41 (8) A post of the American Legion.
- 42 (9) A post of the American War Veterans.



C
O
P
Y

- 1 (10) A camp of United States Spanish War Veterans.
- 2 (11) The Boy Scouts of America, one (1) or more of its
- 3 incorporated local councils, or a bank or trust company in trust for
- 4 the benefit of one (1) or more of its local councils.
- 5 (12) The Girl Scouts of the U.S.A., one (1) or more of its
- 6 incorporated local councils, or a bank or trust company in trust for
- 7 the benefit of one (1) or more of its local councils.
- 8 **(13) A nonprofit public radio station.**
- 9 **(14) A nonprofit public television station.**
- 10 **(15) Southern Indiana Higher Education, Inc.**
- 11 **(16) A 4-H organization.**

12 (b) This exemption does not apply unless the property is exclusively
 13 used, and in the case of real property actually occupied, for the
 14 purposes and objectives of the organization.

15 SECTION 9. IC 6-1.1-10-29, AS AMENDED BY P.L.46-1996,
 16 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 1998]: Sec. 29. (a) As used in this section, "manufacturer" or
 18 "processor" means a person that performs an operation or continuous
 19 series of operations on raw materials, goods, or other personal property
 20 to alter the raw materials, goods, or other personal property into a new
 21 or changed state or form. The operation may be performed by hand,
 22 machinery, or a chemical process directed or controlled by an
 23 individual. The terms include a person that:

- 24 (1) dries or prepares grain for storage or delivery; or
- 25 (2) publishes books or other printed materials.

26 (b) Personal property owned by a manufacturer or processor is
 27 exempt from property taxation if the owner is able to show by adequate
 28 records that the property:

- 29 (1) is stored and remains in its original package in an in-state
 30 warehouse for the purpose of shipment, without further
 31 processing, to an out-of-state destination; or
- 32 (2) consists of books or other printed materials that are stored at
 33 an in-state commercial printer's facility for the purpose of
 34 shipment, without further processing, to an out-of-state
 35 destination.

36 (c) Personal property that is manufactured in Indiana and that would
 37 be exempt under subsection (b), except that it is not stored in its
 38 original package, is exempt from property taxation if the owner can
 39 establish in accordance with exempt inventory procedures, regulations,
 40 and rules of the state board of tax commissioners that:

- 41 (1) the property (†) is ready for shipment without additional
 42 manufacturing or processing, except for packaging; and

COPY



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

(2) **either:**

(A) **the property** will be damaged or have its value impaired if it is stored in its original package; **or**

(B) **the final packaging of finished inventory items is not practical until receipt of a final customer order because fulfillment of the customer order requires the accumulation of a number of distinct finished inventory items into a single shipping package.**

SECTION 10. IC 6-1.1-10-42 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: **Sec. 42. (a) A corporation that:**

(1) is nonprofit; and

(2) participates in the small business incubator program under IC 4-4-18;

is exempt from property taxation to the extent of tangible property used for small business incubation.

(b) A corporation that wishes to obtain an exemption from property taxation under this section must file an exemption application annually under IC 6-1.1-11.

SECTION 11. IC 6-1.1-11-3, AS AMENDED BY P.L.6-1997, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: **Sec. 3. (a) ~~The~~ An owner of tangible property who wishes to obtain an exemption from property taxation and a nonprofit corporation seeking an exemption under IC 6-1.1-10-42 shall each file a certified application in duplicate with the auditor assessor of the county in which the property that is the subject of the exemption is located. The application must be filed annually on or before May 15 on forms prescribed by the state board of tax commissioners. The county assessor shall forward a copy of the certified application to the county auditor.** Except as provided in sections 1, 3.5, and 4 of this chapter, the application applies only for the taxes imposed for the year for which the application is filed.

(b) The authority for signing an exemption application may not be delegated by the owner of the property to any other person except by an executed power of attorney.

(c) An exemption application which is required under this chapter shall contain the following information:

(1) A description of the property claimed to be exempt in sufficient detail to afford identification.

(2) A statement showing the ownership, possession, and use of the property.

(3) The grounds for claiming the exemption.



C
O
P
Y

1 (4) The full name and address of the applicant.

2 (5) Any additional information which the state board of tax
3 commissioners may require.

4 SECTION 12. IC 6-1.1-11-3.5 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 3.5. (a) A
6 not-for-profit corporation, **except for a nonprofit corporation seeking**
7 **an exemption under IC 6-1.1-10-42**, that seeks an exemption
8 provided by IC 6-1.1-10 for 1988 or for a year that follows 1988 by a
9 multiple of four (4) years must file an application for the exemption in
10 that year. However, if a not-for-profit corporation seeks an exemption
11 provided by IC 6-1.1-10 for a year not specified in this subsection and
12 the corporation did not receive the exemption for the preceding year,
13 the corporation must file an application for the exemption in the year
14 for which the exemption is sought. The not-for-profit corporation must
15 file each exemption application in the manner (other than the
16 requirement for filing annually) prescribed in section 3 of this chapter.

17 (b) A not-for-profit corporation that receives an exemption provided
18 under IC 6-1.1-10 for a particular year that remains eligible for the
19 exemption for the following year is only required to file a statement to
20 apply for the exemption in the years specified in subsection (a), if the
21 use of the not-for-profit corporation's property remains unchanged.

22 (c) A not-for-profit corporation that receives an exemption provided
23 under IC 6-1.1-10 for a particular year which becomes ineligible for the
24 exemption for the following year shall notify the **auditor assessor** of the
25 county in which the tangible property for which it claims the exemption
26 is located of its ineligibility on or before May 15 of the year for which
27 it becomes ineligible. **The county assessor shall notify the county**
28 **auditor of the not-for-profit corporation's ineligibility for the**
29 **exemption.**

30 (d) For each year that is not a year specified in subsection (a), the
31 auditor of each county shall apply an exemption provided under
32 IC 6-1.1-10 to the tangible property owned by a not-for-profit
33 corporation that received the exemption in the preceding year unless
34 the **auditor county property tax assessment board of appeals**
35 determines that the not-for-profit corporation is no longer eligible for
36 the exemption.

37 (e) The state board of tax commissioners may at any time review an
38 exemption provided under this section and determine whether or not
39 the not-for-profit corporation is eligible for the exemption.

40 SECTION 13. IC 6-1.1-11-10 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 10. Each county
42 **auditor assessor** shall, on behalf of the county, collect a fee of two

C
O
P
Y



1 dollars (\$2) for each exemption application filed with him under this
 2 chapter. Each fee shall be accounted for and paid into the county
 3 general fund at the close of each month in the same manner as are other
 4 fees due the county. No other fee may be charged by a county ~~auditor;~~
 5 **assessor**, or his employees, for filing or preparing an exemption
 6 application.

7 SECTION 14. IC 6-1.1-12-18, AS AMENDED BY P.L.6-1997,
 8 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 MARCH 1, 2001]: Sec. 18. (a) If the assessed value of residential real
 10 property described in subsection (d) of this section is increased because
 11 it has been rehabilitated, the owner may have deducted from the
 12 assessed value of the property an amount not to exceed the lesser of:

13 (1) the total increase in assessed value resulting from the
 14 rehabilitation; or

15 (2) nine thousand dollars (\$9,000) per rehabilitated dwelling unit.

16 The owner is entitled to this deduction annually for a five (5) year
 17 period.

18 (b) For purposes of this section, the term "rehabilitation" means
 19 **significant** repairs, replacements, or improvements **to an existing**
 20 **structure** which are intended to increase the livability, utility, safety,
 21 or value of the property **and which do not increase the total amount of**
 22 **floor space devoted to residential purposes unless the increase in floor**
 23 **space is required in order to make the building comply with a local**
 24 **housing code or zoning ordinance: under rules adopted by the state**
 25 **board of tax commissioners.**

26 (c) For the purposes of this section, the term "owner" or "property
 27 owner" includes any person who has the legal obligation, or has
 28 otherwise assumed the obligation, to pay the real property taxes on the
 29 rehabilitated property.

30 (d) The deduction provided by this section applies only for the
 31 rehabilitation of residential real property which is located within this
 32 state and which is described in one (1) of the following classifications:

33 (1) a single family dwelling if before rehabilitation the assessed
 34 value (excluding any exemptions or deductions) of the
 35 improvements does not exceed eighteen thousand dollars
 36 (\$18,000);

37 (2) a two (2) family dwelling if before rehabilitation the assessed
 38 value (excluding exemptions or deductions) of the improvements
 39 does not exceed twenty-four thousand dollars (\$24,000); and

40 (3) a dwelling with more than two (2) family units if before
 41 rehabilitation the assessed value (excluding any exemptions or
 42 deductions) of the improvements does not exceed nine thousand



C
O
P
Y

dollars (\$9,000) per dwelling unit.

SECTION 15. IC 6-1.1-12-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 19. The deduction from assessed value provided by section 18 of this chapter is first available in the year in which the increase in assessed value resulting from the rehabilitation occurs and shall continue for the following four (4) years. **However, the deduction is reduced to be the following:**

(1) **Eighty percent (80%) of the original deduction for the second year.**

(2) **Sixty percent (60%) of the original deduction for the third year.**

(3) **Forty percent (40%) of the original deduction for the fourth year.**

(4) **Twenty percent (20%) of the original deduction for the fifth year.**

In the sixth (~~6th~~) year, the county auditor shall add the amount of the **original** deduction to the assessed value of the real property. A general reassessment of real property which occurs within the five (5) year period of the deduction does not affect the amount of the deduction.

SECTION 16. IC 6-1.1-12-22, AS AMENDED BY P.L.6-1997, SECTION 54, AND P.L.54-1997, SECTION 1, IS CORRECTED AND IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 22. (a) If the assessed value of property is increased because it has been rehabilitated *and the owner has paid at least ten thousand dollars (\$10,000) for the rehabilitation*, the owner is entitled to have deducted from the assessed value of the property an amount equal to fifty percent (50%) of the increase in assessed value resulting from the rehabilitation. The owner is entitled to this deduction annually for a five (5) year period **in the amount specified in subsection (b)**. However, the maximum deduction which a property owner may receive under this section for a particular year is:

(1) ~~twenty fifteen~~ **sixty** thousand dollars (~~\$20,000~~) (~~\$15,000~~) **(\$60,000)** for a single family dwelling unit; or

(2) ~~one hundred seventy-five~~ **three hundred** thousand dollars (~~\$100,000~~) (~~\$75,000~~) **(\$300,000)** for any other type of property.

(b) The deduction under subsection (a) is as follows:

(1) **Eighty percent (80%) of the original deduction for the second year.**

(2) **Sixty percent (60%) of the original deduction for the third year.**

(3) **Forty percent (40%) of the original deduction for the fourth year.**



C
O
P
Y

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

(4) Twenty percent (20%) of the original deduction for the fifth year.

~~(b)~~ (c) For purposes of this section, the term "property" means a building or structure which was erected at least ~~fifty (50) ten (10)~~ years before the date of application for the deduction provided by this section. The term "property" does not include land.

~~(c)~~ (d) For purposes of this section the term "rehabilitation" means the remodeling, repair, or betterment of property in any manner or any enlargement or extension of property. However, The enlargement or extension of the enclosed floor area of property shall, for computation of the deduction, be limited within a five (5) year period to a total additional enclosed floor area equal to the size of the enclosed floor area of the property on the date of completion of the first extension or enlargement completed after March 1, 1973: **significant repairs, replacements, or improvements to an existing structure that are intended to increase the livability, utility, safety, or value of the property under rules adopted by the state board of tax commissioners.**

SECTION 17. IC 6-1.1-12.1-1, AS AMENDED BY P.L.1-1996, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 1. For purposes of this chapter:

(1) "Economic revitalization area" means an area which is within the corporate limits of a city, town, or county which has become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. The term "economic revitalization area" also includes:

(A) any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues; and

(B) a residentially distressed area, except as otherwise provided in this chapter.

(2) "City" means any city in this state, and "town" means any town incorporated under IC 36-5-1.

(3) "New manufacturing equipment" means any tangible personal property which:

(A) was installed after February 28, 1983, and before January 1, 2006, in an area that is declared an economic revitalization

C
O
P
Y



- 1 area after February 28, 1983, in which a deduction for tangible
 2 personal property is allowed; ~~or~~
 3 (B) is used in the direct production, manufacture, fabrication,
 4 assembly, extraction, mining, processing, refining, or finishing
 5 of other tangible personal property, including but not limited
 6 to use to dispose of solid waste or hazardous waste by
 7 converting the solid waste or hazardous waste into energy or
 8 other useful products; and
 9 (C) was acquired by its owner for use as described in clause
 10 (B) and was never before used by its owner for any purpose in
 11 Indiana.
- 12 However, notwithstanding any other law, the term includes
 13 tangible personal property that is used to dispose of solid waste or
 14 hazardous waste by converting the solid waste or hazardous waste
 15 into energy or other useful products and was installed after March
 16 1, 1993, and before March 2, 1996, even if the property was
 17 installed before the area where the property is located was
 18 designated as an economic revitalization area or the statement of
 19 benefits for the property was approved by the designating body.
- 20 (4) "Property" means a building or structure, but does not include
 21 land.
- 22 (5) "Redevelopment" means the construction of new structures in
 23 economic revitalization areas, either:
 24 (A) on unimproved real estate; or
 25 (B) on real estate upon which a prior existing structure is
 26 demolished to allow for a new construction.
- 27 (6) "Rehabilitation" means the remodeling, repair, or betterment
 28 of property in any manner or any enlargement or extension of
 29 property.
- 30 (7) "Designating body" means the following:
 31 (A) For a county that does not contain a consolidated city, the
 32 fiscal body of the county, city, or town.
 33 (B) For a county containing a consolidated city, the
 34 metropolitan development commission.
- 35 (8) "Deduction application" means: ~~either:~~
 36 ~~(A) the application filed in accordance with section 5 of this~~
 37 ~~chapter by a property owner who desires to obtain the~~
 38 ~~deduction provided by section 3 of this chapter. or~~
 39 ~~(B) the application filed in accordance with section 5.5 of this~~
 40 ~~chapter by a person who desires to obtain the deduction~~
 41 ~~provided by section 4.5 of this chapter.~~
 42 (9) "Designation application" means an application that is filed

C
O
P
Y

1 with a designating body to assist that body in making a
 2 determination about whether a particular area should be
 3 designated as an economic revitalization area.

4 (10) "Hazardous waste" has the meaning set forth in
 5 IC 13-11-2-99(a). The term includes waste determined to be a
 6 hazardous waste under IC 13-22-2-3(b).

7 (11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a).
 8 However, the term does not include dead animals or any animal
 9 solid or semisolid wastes.

10 **(12) "New research and development equipment" means**
 11 **tangible personal property that:**

12 **(A) is installed after June 30, 1998, and before January 1,**
 13 **2006, in an economic revitalization area in which a**
 14 **deduction for tangible personal property is allowed;**

15 **(B) consists of:**

- 16 **(i) laboratory equipment;**
- 17 **(ii) research and development equipment;**
- 18 **(iii) computers and computer software;**
- 19 **(iv) telecommunications equipment; or**
- 20 **(v) testing equipment;**

21 **(C) is used in a research and development facility that is a**
 22 **separate facility engaged in activities devoted directly and**
 23 **exclusively to experimental or laboratory research and**
 24 **development for new products, new uses of existing**
 25 **products, or improving or testing existing products; and**

26 **(D) is acquired by the property owner for the purposes**
 27 **described in this subdivision and was never before used by**
 28 **the owner for any purpose in Indiana.**

29 **The term does not include equipment installed in facilities**
 30 **used for or in connection with efficiency surveys, management**
 31 **studies, consumer surveys, economic surveys, advertising or**
 32 **promotion, or research in connection with literacy, history, or**
 33 **similar projects.**

34 **(13) "Schedule" means the schedule filed in accordance with**
 35 **section 5.5 of this chapter by a person who desires to obtain**
 36 **the deduction provided by section 4.5 of this chapter.**

37 SECTION 18. IC 6-1.1-12.1-2, AS AMENDED BY
 38 P.L.255-1997(ss), SECTION 5, IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 2. (a) A
 40 designating body may find that a particular area within its jurisdiction
 41 is an economic revitalization area. However, the deduction provided by
 42 this chapter for economic revitalization areas not within a city or town

C
O
P
Y

1 shall not be available to retail businesses.

2 (b) In a county containing a consolidated city or within a city or
3 town, a designating body may find that a particular area within its
4 jurisdiction is a residentially distressed area. Designation of an area as
5 a residentially distressed area has the same effect as designating an
6 area as an economic revitalization area, except that the amount of the
7 deduction shall be calculated as specified in section 4.1 of this chapter
8 and the deduction is allowed for **not more than** five (5) years. In order
9 to declare a particular area a residentially distressed area, the
10 designating body must follow the same procedure that is required to
11 designate an area as an economic revitalization area and must make all
12 the following additional findings or all the additional findings
13 described in subsection (c):

14 (1) The area is comprised of parcels that are either unimproved or
15 contain only one (1) or two (2) family dwellings or multifamily
16 dwellings designed for up to four (4) families, including accessory
17 buildings for those dwellings.

18 (2) Any dwellings in the area are not permanently occupied and
19 are:

20 (A) the subject of an order issued under IC 36-7-9; or

21 (B) evidencing significant building deficiencies.

22 (3) Parcels of property in the area:

23 (A) have been sold and not redeemed under IC 6-1.1-24 and
24 IC 6-1.1-25; or

25 (B) are owned by a unit of local government.

26 However, in a city in a county having a population of more than two
27 hundred thousand (200,000) but less than three hundred thousand
28 (300,000), the designating body is only required to make one (1) of the
29 additional findings described in this subsection or one (1) of the
30 additional findings described in subsection (c).

31 (c) In a county containing a consolidated city or within a city or
32 town, a designating body that wishes to designate a particular area a
33 residentially distressed area may make the following additional
34 findings as an alternative to the additional findings described in
35 subsection (b):

36 (1) A significant number of dwelling units within the area are not
37 permanently occupied or a significant number of parcels in the
38 area are vacant land.

39 (2) A significant number of dwelling units within the area are:

40 (A) the subject of an order issued under IC 36-7-9; or

41 (B) evidencing significant building deficiencies.

42 (3) The area has experienced a net loss in the number of dwelling

C
O
P
Y



1 units, as documented by census information, local building and
 2 demolition permits, or certificates of occupancy, or the area is
 3 owned by Indiana or the United States.

4 (4) The area (plus any areas previously designated under this
 5 subsection) will not exceed ten percent (10%) of the total area
 6 within the designating body's jurisdiction.

7 However, in a city in a county having a population of more than two
 8 hundred thousand (200,000) but less than three hundred thousand
 9 (300,000), the designating body is only required to make one (1) of the
 10 additional findings described in this subsection as an alternative to one
 11 (1) of the additional findings described in subsection (b).

12 (d) A designating body is required to attach the following conditions
 13 to the grant of a residentially distressed area designation:

14 (1) The deduction will not be allowed unless the dwelling is
 15 rehabilitated to meet local code standards for habitability.

16 (2) If a designation application is filed, the designating body may
 17 require that the redevelopment or rehabilitation be completed
 18 within a reasonable period of time.

19 (e) To make a designation described in subsection (a) or (b), the
 20 designating body shall use procedures prescribed in section 2.5 of this
 21 chapter.

22 (f) The property tax deductions provided by sections 3 and 4.5 of
 23 this chapter are only available for property and **for new manufacturing**
 24 **equipment or new research and development equipment, or both**
 25 **new manufacturing equipment and new research and development**
 26 **equipment**, respectively, within an area which the designating body
 27 finds to be an economic revitalization area.

28 (g) The designating body may adopt a resolution establishing
 29 general standards to be used, along with the requirements set forth in
 30 the definition of economic revitalization area, by the designating body
 31 in finding an area to be an economic revitalization area. The standards
 32 must have a reasonable relationship to the development objectives of
 33 the area in which the designating body has jurisdiction. The following
 34 three (3) sets of standards may be established:

35 (1) One (1) relative to the deduction under section 3 of this
 36 chapter for economic revitalization areas that are not residentially
 37 distressed areas.

38 (2) One (1) relative to the deduction under section 3 of this
 39 chapter for residentially distressed areas.

40 (3) One (1) relative to the deduction allowed under section 4.5 of
 41 this chapter.

42 (h) A designating body may impose a fee for filing a designation

C
O
P
Y



1 application for a person requesting the designation of a particular area
 2 as an economic revitalization area. The fee may be sufficient to defray
 3 actual processing and administrative costs. However, the fee charged
 4 for filing a designation application for a parcel that contains one (1) or
 5 more owner-occupied, single-family dwellings may not exceed the cost
 6 of publishing the required notice.

7 (i) In declaring an area an economic revitalization area, the
 8 designating body may:

9 (1) limit the time period to a certain number of calendar years
 10 during which the area shall be so designated;

11 (2) limit the type of deductions that will be allowed within the
 12 economic revitalization area to either the deduction allowed under
 13 section 3 of this chapter or the deduction allowed under section
 14 4.5 of this chapter;

15 (3) limit the dollar amount of the deduction that will be allowed
 16 with respect to new manufacturing equipment **and new research**
 17 **and development equipment** if a deduction under this chapter
 18 had not been filed before July 1, 1987, for that equipment;

19 (4) limit the dollar amount of the deduction that will be allowed
 20 with respect to redevelopment and rehabilitation occurring in
 21 areas that are designated as economic revitalization areas on or
 22 after September 1, 1988; or

23 (5) impose reasonable conditions related to the purpose of this
 24 chapter or to the general standards adopted under subsection (g)
 25 for allowing the deduction for the redevelopment or rehabilitation
 26 of the property or the installation of the new manufacturing
 27 equipment **or new research and development equipment, or**
 28 **both.**

29 To exercise one (1) or more of these powers a designating body must
 30 include this fact in the resolution passed under section 2.5 of this
 31 chapter.

32 (j) Notwithstanding any other provision of this chapter, if a
 33 designating body limits the time period during which an area is an
 34 economic revitalization area, that limitation does not:

35 (1) prevent a taxpayer from obtaining a deduction for new
 36 manufacturing equipment **or new research and development**
 37 **equipment, or both**, installed before January 1, 2006, but after
 38 the expiration of the economic revitalization area if:

39 (A) the economic revitalization area designation expires after
 40 December 30, 1995; and

41 (B) the new manufacturing equipment **or new research and**
 42 **development equipment, or both**, was described in a

C
O
P
Y



1 statement of benefits submitted to and approved by the
 2 designating body in accordance with section 4.5 of this chapter
 3 before the expiration of the economic revitalization area
 4 designation; or
 5 (2) limit the length of time a taxpayer is entitled to receive a
 6 deduction to a number of years that is less than the number of
 7 years designated under section 4 or 4.5 of this chapter.
 8 (k) Notwithstanding any other provision of this chapter, deductions:
 9 (1) that are authorized under section 3 of this chapter for property
 10 in an area designated as an urban development area before March
 11 1, 1983, and that are based on an increase in assessed valuation
 12 resulting from redevelopment or rehabilitation that occurs before
 13 March 1, 1983; or
 14 (2) that are authorized under section 4.5 of this chapter for new
 15 manufacturing equipment installed in an area designated as an
 16 urban development area before March 1, 1983;
 17 apply according to the provisions of this chapter as they existed at the
 18 time that an application for the deduction was first made. No deduction
 19 that is based on the location of property or new manufacturing
 20 equipment in an urban development area is authorized under this
 21 chapter after February 28, 1983, unless the initial increase in assessed
 22 value resulting from the redevelopment or rehabilitation of the property
 23 or the installation of the new manufacturing equipment occurred before
 24 March 1, 1983.
 25 (l) If property located in an economic revitalization area is also
 26 located in an allocation area (as defined in IC 36-7-14-39 or
 27 IC 36-7-15.1-26), an application for the property tax deduction
 28 provided by this chapter may not be approved unless the commission
 29 that designated the allocation area adopts a resolution approving the
 30 application.
 31 SECTION 19. IC 6-1.1-12.1-2.5, AS AMENDED BY P.L.25-1995,
 32 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JANUARY 1, 1999]: Sec. 2.5. (a) If a designating body finds that an
 34 area in its jurisdiction is an economic revitalization area, it shall either:
 35 (1) prepare maps and plats that identify the area; or
 36 (2) prepare a simplified description of the boundaries of the area
 37 by describing its location in relation to public ways, streams, or
 38 otherwise.
 39 (b) After the compilation of the materials described in subsection
 40 (a), the designating body shall pass a resolution declaring the area an
 41 economic revitalization area. The resolution must contain a description
 42 of the affected area and be filed with the county assessor. ~~The A~~

C
O
P
Y



1 resolution **adopted after June 30, 1998**, may include a determination
 2 of ~~whether the number of years~~ a deduction under section 3 of this
 3 chapter is allowed. ~~for three (3), six (6), or ten (10) years.~~ In addition,
 4 if the resolution is adopted after ~~April 30, 1991,~~ **June 30, 1998**, the
 5 resolution may include a determination of ~~whether the number of~~
 6 **years** a deduction under section 4.5 of this chapter is allowed. ~~for five~~
 7 ~~(5) or ten (10) years.~~

8 (c) After approval of a resolution under subsection (b), the
 9 designating body shall do the following:

10 (1) Publish notice of the adoption and substance of the resolution
 11 in accordance with IC 5-3-1.

12 (2) File the following information with each taxing unit that has
 13 authority to levy property taxes in the geographic area where the
 14 economic revitalization area is located:

15 (A) A copy of the notice required by subdivision (1).

16 (B) A statement containing substantially the same information
 17 as a statement of benefits filed with the designating body
 18 before the hearing required by this section under sections 3
 19 and 4.5 of this chapter.

20 The notice must state that a description of the affected area is available
 21 and can be inspected in the county assessor's office. The notice must
 22 also name a date when the designating body will receive and hear all
 23 remonstrances and objections from interested persons. The designating
 24 body shall file the information required by subdivision (2) with the
 25 officers of the taxing unit who are authorized to fix budgets, tax rates,
 26 and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date
 27 of the public hearing. After considering the evidence, the designating
 28 body shall take final action determining whether the qualifications for
 29 an economic revitalization area have been met and confirming,
 30 modifying and confirming, or rescinding the resolution. This
 31 determination is final except that an appeal may be taken and heard as
 32 provided under subsections (d) and (e).

33 (d) A person who filed a written remonstrance with the designating
 34 body under this section and who is aggrieved by the final action taken
 35 may, within ten (10) days after that final action, initiate an appeal of
 36 that action by filing in the office of the clerk of the circuit or superior
 37 court a copy of the order of the designating body and his remonstrance
 38 against that order, together with his bond conditioned to pay the costs
 39 of his appeal if the appeal is determined against him. The only ground
 40 of appeal that the court may hear is whether the proposed project will
 41 meet the qualifications of the economic revitalization area law. The
 42 burden of proof is on the appellant.

ES 382—LS 7160/DI 73+



C
O
P
Y

1 (e) An appeal under this section shall be promptly heard by the
 2 court without a jury. All remonstrances upon which an appeal has been
 3 taken shall be consolidated and heard and determined within thirty (30)
 4 days after the time of the filing of the appeal. The court shall hear
 5 evidence on the appeal, and may confirm the final action of the
 6 designating body or sustain the appeal. The judgment of the court is
 7 final and conclusive, unless an appeal is taken as in other civil actions.

8 SECTION 20. IC 6-1.1-12.1-3, AS AMENDED BY P.L.25-1995,
 9 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JANUARY 1, 1999]: Sec. 3. (a) An applicant must provide a statement
 11 of benefits to the designating body. If the designating body requires
 12 information from the applicant for economic revitalization area status
 13 for use in making its decision about whether to designate an economic
 14 revitalization area, the applicant shall provide the completed statement
 15 of benefits form to the designating body before the hearing required by
 16 section 2.5(c) of this chapter. Otherwise, the statement of benefits form
 17 must be submitted to the designating body before the initiation of the
 18 redevelopment or rehabilitation for which the person desires to claim
 19 a deduction under this chapter. The state board of tax commissioners
 20 shall prescribe a form for the statement of benefits. The statement of
 21 benefits must include the following information:

- 22 (1) A description of the proposed redevelopment or rehabilitation.
- 23 (2) An estimate of the number of individuals who will be
 24 employed or whose employment will be retained by the person as
 25 a result of the redevelopment or rehabilitation and an estimate of
 26 the annual salaries of these individuals.
- 27 (3) An estimate of the value of the redevelopment or
 28 rehabilitation.

29 With the approval of the state board of tax commissioners, the
 30 statement of benefits may be incorporated in a designation application.
 31 Notwithstanding any other law, a statement of benefits is a public
 32 record that may be inspected and copied under IC 5-14-3-3.

33 (b) The designating body must review the statement of benefits
 34 required under subsection (a). The designating body shall determine
 35 whether an area should be designated an economic revitalization area
 36 or whether a deduction should be allowed, based on (and after it has
 37 made) the following findings:

- 38 (1) Whether the estimate of the value of the redevelopment or
 39 rehabilitation is reasonable for projects of that nature.
- 40 (2) Whether the estimate of the number of individuals who will be
 41 employed or whose employment will be retained can be
 42 reasonably expected to result from the proposed described



C
O
P
Y

1 redevelopment or rehabilitation.

2 (3) Whether the estimate of the annual salaries of those
3 individuals who will be employed or whose employment will be
4 retained can be reasonably expected to result from the proposed
5 described redevelopment or rehabilitation.

6 (4) Whether any other benefits about which information was
7 requested are benefits that can be reasonably expected to result
8 from the proposed described redevelopment or rehabilitation.

9 (5) Whether the totality of benefits is sufficient to justify the
10 deduction.

11 A designating body may not designate an area an economic
12 revitalization area or approve a deduction unless the findings required
13 by this subsection are made in the affirmative.

14 (c) Except as provided in subsections (a) through (b), the owner of
15 property which is located in an economic revitalization area is entitled
16 to a deduction from the assessed value of the property. If the area is a
17 residentially distressed area **designated before July 1, 1998**, the period
18 is five (5) years. For all other economic revitalization areas **designated**
19 **before July 1, 1998**, the period is three (3), six (6), or ten (10) years.
20 **as determined under subsection (d): For all economic revitalization**
21 **areas designated after June 30, 1998, the period is the number of**
22 **years determined under subsection (d).** The owner is entitled to a
23 deduction if:

24 (1) the property has been rehabilitated; or

25 (2) the property is located on real estate which has been
26 redeveloped.

27 The owner is entitled to the deduction for the first year, and any
28 successive year or years, in which an increase in assessed value
29 resulting from the rehabilitation or redevelopment occurs and for the
30 ~~two (2), four (4), five (5), or nine (9) years immediately following each~~
31 ~~such year or years whichever is applicable:~~ **determined under**
32 **subsection (d).** However, property owners who had an area designated
33 an urban development area pursuant to an application filed prior to
34 January 1, 1979, are only entitled to a deduction for a five (5) year
35 period. In addition, property owners who are entitled to a deduction
36 under this chapter pursuant to an application filed after December 31,
37 1978, and before January 1, 1986, are entitled to a deduction for a ten
38 (10) year period.

39 (d) ~~For economic revitalization areas that are not residentially~~
40 ~~distressed areas;~~ **For an area designated as an economic**
41 **revitalization area after June 30, 1998,** the designating body shall
42 **determine whether the number of years for which** the property owner



C
O
P
Y

1 is entitled to a deduction. ~~for three (3) years, six (6) years, or ten (10)~~
 2 ~~years. However, the deduction may not be allowed for more than~~
 3 ~~ten (10) years.~~ This determination shall be made:

- 4 (1) as part of the resolution adopted under section 2.5 of this
 5 chapter; or
 6 (2) by resolution adopted within sixty (60) days after receiving a
 7 copy of a property owner's certified deduction application from
 8 the county auditor. A certified copy of the resolution shall be sent
 9 to the county auditor who shall make the deduction as provided
 10 in section 5 of this chapter.

11 A determination about ~~whether~~ the **number of years** the deduction is
 12 ~~three (3), six (6), or ten (10) years~~ **allowed** that is made under
 13 subdivision (1) is final and may not be changed by following the
 14 procedure under subdivision (2).

15 (e) Except for deductions related to redevelopment or rehabilitation
 16 of real property in a county containing a consolidated city or a
 17 deduction related to redevelopment or rehabilitation of real property
 18 initiated before December 31, 1987, in areas designated as economic
 19 revitalization areas before that date, a deduction for the redevelopment
 20 or rehabilitation of real property may not be approved for the following
 21 facilities:

- 22 (1) Private or commercial golf course.
 23 (2) Country club.
 24 (3) Massage parlor.
 25 (4) Tennis club.
 26 (5) Skating facility (including roller skating, skateboarding, or ice
 27 skating).
 28 (6) Racquet sport facility (including any handball or racquetball
 29 court).
 30 (7) Hot tub facility.
 31 (8) Suntan facility.
 32 (9) Racetrack.
 33 (10) Any facility the primary purpose of which is:
 34 (A) retail food and beverage service;
 35 (B) automobile sales or service; or
 36 (C) other retail;
 37 unless the facility is located in an economic development target
 38 area established under section 7 of this chapter.
 39 (11) Residential, unless:
 40 (A) the facility is a multifamily facility that contains at least
 41 twenty percent (20%) of the units available for use by low and
 42 moderate income individuals;



C
O
P
Y

- 1 (B) the facility is located in an economic development target
 2 area established under section 7 of this chapter; or
 3 (C) the area is designated as a residentially distressed area.
 4 (12) A package liquor store that holds a liquor dealer's permit
 5 under IC 7.1-3-10 or any other entity that is required to operate
 6 under a license issued under IC 7.1. However, this subdivision
 7 does not apply to an applicant that:
 8 (A) was eligible for tax abatement under this chapter before
 9 July 1, 1995; or
 10 (B) is described in IC 7.1-5-7-11.
- 11 SECTION 21. IC 6-1.1-12.1-4 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 4. (a) Except as
 13 provided in section 2(i)(4) of this chapter, the amount of the deduction
 14 which the property owner is entitled to receive under section 3 of this
 15 chapter for a particular year equals the product of:
 16 (1) the increase in the assessed value resulting from the
 17 rehabilitation or redevelopment; multiplied by
 18 (2) the percentage prescribed in the table set forth in subsection
 19 (d).
 20 (b) The amount of the deduction determined under subsection (a)
 21 shall be adjusted in accordance with this subsection in the following
 22 circumstances:
 23 (1) If a general reassessment of real property occurs within the
 24 particular period of the deduction, the amount determined under
 25 subsection (a)(1) shall be adjusted to reflect the percentage
 26 increase or decrease in assessed valuation that resulted from the
 27 general reassessment.
 28 (2) If an appeal of an assessment is approved that results in a
 29 reduction of the assessed value of the redeveloped or rehabilitated
 30 property, the amount of any deduction shall be adjusted to reflect
 31 the percentage decrease that resulted from the appeal.
 32 The state board of tax commissioners shall adopt rules under IC 4-22-2
 33 to implement this subsection.
 34 (c) Property owners who had an area designated an urban
 35 development area pursuant to an application filed prior to January 1,
 36 1979, are only entitled to the deduction for the first through the fifth
 37 years as provided in subsection ~~(d)(3)~~: **(d)(10)**. In addition, property
 38 owners who are entitled to a deduction under this chapter pursuant to
 39 an application filed after December 31, 1978, and before January 1,
 40 1986, are entitled to a deduction for the first through the tenth years, as
 41 provided in subsection ~~(d)(3)~~: **(d)(10)**.
 42 (d) The percentage to be used in calculating the deduction under



C
O
P
Y

1 subsection (a) is as follows:

2	(1) For deductions allowed over a one (1) year period:	
3	YEAR OF DEDUCTION	PERCENTAGE
4	1st	100%
5	(2) For deductions allowed over a two (2) year period:	
6	YEAR OF DEDUCTION	PERCENTAGE
7	1st	100%
8	2nd	50%
9	(3) For deductions allowed over a three (3) year period:	
10	YEAR OF DEDUCTION	PERCENTAGE
11	1st	100%
12	2nd	66%
13	3rd	33%
14	(4) For deductions allowed over a four (4) year period:	
15	YEAR OF DEDUCTION	PERCENTAGE
16	1st	100%
17	2nd	75%
18	3rd	50%
19	4th	25%
20	(5) For deductions allowed over a five (5) year period:	
21	YEAR OF DEDUCTION	PERCENTAGE
22	1st	100%
23	2nd	80%
24	3rd	60%
25	4th	40%
26	5th	20%
27	(2) (6) For deductions allowed over a six (6) year period:	
28	YEAR OF DEDUCTION	PERCENTAGE
29	1st	100%
30	2nd	85%
31	3rd	66%
32	4th	50%
33	5th	34%
34	6th	17%
35	(7) For deductions allowed over a seven (7) year period:	
36	YEAR OF DEDUCTION	PERCENTAGE
37	1st	100%
38	2nd	86%
39	3rd	72%
40	4th	58%
41	5th	44%
42	6th	30%



C
O
P
Y

1		7th	16%
2		(8) For deductions allowed over an eight (8) year period:	
3		YEAR OF DEDUCTION	PERCENTAGE
4		1st	100%
5		2nd	88%
6		3rd	75%
7		4th	63%
8		5th	50%
9		6th	38%
10		7th	25%
11		8th	13%
12		(9) For deductions allowed over a nine (9) year period:	
13		YEAR OF DEDUCTION	PERCENTAGE
14		1st	100%
15		2nd	90%
16		3rd	78%
17		4th	66%
18		5th	55%
19		6th	44%
20		7th	33%
21		8th	22%
22		9th	11%
23		(10) For deductions allowed over a ten (10) year period:	
24		YEAR OF DEDUCTION	PERCENTAGE
25		1st	100%
26		2nd	95%
27		3rd	80%
28		4th	65%
29		5th	50%
30		6th	40%
31		7th	30%
32		8th	20%
33		9th	10%
34		10th	5%

SECTION 22. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.1-1996, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 4.5. (a) For purposes of this section, "personal property" means personal property other than inventory (as defined in IC 6-1.1-3-11(a)).

(b) An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in

C
o
p
y

1 section 2.5(c) of this chapter or before the installation of the new
 2 manufacturing equipment **or new research and development**
 3 **equipment, or both**, for which the person desires to claim a deduction
 4 under this chapter. The state board of tax commissioners shall prescribe
 5 a form for the statement of benefits. The statement of benefits must
 6 include the following information:

7 (1) A description of the new manufacturing equipment **or new**
 8 **research and development equipment, or both**, that the person
 9 proposes to acquire.

10 (2) With respect to:

11 (A) new manufacturing equipment not used to dispose of solid
 12 waste or hazardous waste by converting the solid waste or
 13 hazardous waste into energy or other useful products; **and**

14 **(B) new research and development equipment;**

15 an estimate of the number of individuals who will be employed or
 16 whose employment will be retained by the person as a result of
 17 the installation of the new manufacturing equipment **or new**
 18 **research and development equipment, or both**, and an estimate
 19 of the annual salaries of these individuals.

20 (3) An estimate of the cost of the new manufacturing equipment
 21 **or new research and development equipment, or both.**

22 (4) With respect to new manufacturing equipment used to dispose
 23 of solid waste or hazardous waste by converting the solid waste
 24 or hazardous waste into energy or other useful products, an
 25 estimate of the amount of solid waste or hazardous waste that will
 26 be converted into energy or other useful products by the new
 27 manufacturing equipment.

28 With the approval of the state board of tax commissioners, the
 29 statement of benefits may be incorporated in a designation application.
 30 Notwithstanding any other law, a statement of benefits is a public
 31 record that may be inspected and copied under IC 5-14-3-3.

32 (c) The designating body must review the statement of benefits
 33 required under subsection (b). The designating body shall determine
 34 whether an area should be designated an economic revitalization area
 35 or whether the deduction shall be allowed, based on (and after it has
 36 made) the following findings:

37 (1) Whether the estimate of the cost of the new manufacturing
 38 equipment **or new research and development equipment, or**
 39 **both**, is reasonable for equipment of that type.

40 (2) With respect to:

41 (A) new manufacturing equipment not used to dispose of solid
 42 waste or hazardous waste by converting the solid waste or

C
O
P
Y



- 1 hazardous waste into energy or other useful products; **and**
 2 **(B) new research and development equipment;**
 3 whether the estimate of the number of individuals who will be
 4 employed or whose employment will be retained can be
 5 reasonably expected to result from the installation of the new
 6 manufacturing equipment **or new research and development**
 7 **equipment, or both.**
 8 (3) Whether the estimate of the annual salaries of those
 9 individuals who will be employed or whose employment will be
 10 retained can be reasonably expected to result from the proposed
 11 installation of new manufacturing equipment **or new research**
 12 **and development equipment, or both.**
 13 (4) With respect to new manufacturing equipment used to dispose
 14 of solid waste or hazardous waste by converting the solid waste
 15 or hazardous waste into energy or other useful products, whether
 16 the estimate of the amount of solid waste or hazardous waste that
 17 will be converted into energy or other useful products can be
 18 reasonably expected to result from the installation of the new
 19 manufacturing equipment.
 20 (5) Whether any other benefits about which information was
 21 requested are benefits that can be reasonably expected to result
 22 from the proposed installation of new manufacturing equipment
 23 **or new research and development equipment, or both.**
 24 (6) Whether the totality of benefits is sufficient to justify the
 25 deduction.
 26 The designating body may not designate an area an economic
 27 revitalization area or approve the deduction unless it makes the
 28 findings required by this subsection in the affirmative.
 29 (d) Except as provided in subsection (f), an owner of new
 30 manufacturing equipment whose statement of benefits is approved
 31 before May 1, 1991, is entitled to a deduction from the assessed value
 32 of that equipment for a period of five (5) years. Except as provided in
 33 subsections (f) and (i), an owner of new manufacturing equipment
 34 whose statement of benefits is approved after ~~April 30, 1991~~, **June 30,**
 35 **1998**, is entitled to a deduction from the assessed value of that
 36 equipment for a ~~period of five (5) years or ten (10) years~~ **the number of**
 37 ~~years as~~ determined by the designating body under subsection (h).
 38 Except as provided in subsections (f) and (g) and in section 2(i)(3) of
 39 this chapter, the amount of the deduction that an owner is entitled to for
 40 a particular year equals the product of:
 41 (1) the assessed value of the new manufacturing equipment **or**
 42 **new research and development equipment** in the year that the



C
O
P
Y

1 equipment is installed; multiplied by

2 (2) the percentage prescribed in the table set forth in subsection

3 (e).

4 (e) The percentage to be used in calculating the deduction under
5 subsection (d) is as follows:

6 **(1) For deductions allowed over a one (1) year period:**

7 YEAR OF DEDUCTION	PERCENTAGE
8 1st	100%
9 2nd and thereafter	0%

10 **(2) For deductions allowed over a two (2) year period:**

11 YEAR OF DEDUCTION	PERCENTAGE
12 1st	100%
13 2nd	50%
14 3rd and thereafter	0%

15 **(3) For deductions allowed over a three (3) year period:**

16 YEAR OF DEDUCTION	PERCENTAGE
17 1st	100%
18 2nd	66%
19 3rd	33%
20 4th and thereafter	0%

21 **(4) For deductions allowed over a four (4) year period:**

22 YEAR OF DEDUCTION	PERCENTAGE
23 1st	100%
24 2nd	75%
25 3rd	50%
26 4th	25%
27 5th and thereafter	0%

28 **(5) For deductions allowed over a five (5) year period:**

29 YEAR OF DEDUCTION	PERCENTAGE
30 1st	100%
31 2nd	95% 80%
32 3rd	80% 60%
33 4th	65% 40%
34 5th	50% 25%
35 6th and thereafter	0%

36 **(6) For deductions allowed over a six (6) year period:**

37 YEAR OF DEDUCTION	PERCENTAGE
38 1st	100%
39 2nd	85%
40 3rd	66%
41 4th	50%
42 5th	34%



C
o
p
y

1	6th	25%
2	7th and thereafter	0%
3	(7) For deductions allowed over a seven (7) year period:	
4	YEAR OF DEDUCTION	PERCENTAGE
5	1st	100%
6	2nd	86%
7	3rd	72%
8	4th	58%
9	5th	44%
10	6th	30%
11	7th	25%
12	8th and thereafter	0%
13	(8) For deductions allowed over an eight (8) year period:	
14	YEAR OF DEDUCTION	PERCENTAGE
15	1st	100%
16	2nd	88%
17	3rd	75%
18	4th	63%
19	5th	50%
20	6th	38%
21	7th	25%
22	8th	25%
23	9th and thereafter	0%
24	(9) For deductions allowed over a nine (9) year period:	
25	YEAR OF DEDUCTION	PERCENTAGE
26	1st	100%
27	2nd	90%
28	3rd	78%
29	4th	66%
30	5th	55%
31	6th	44%
32	7th	33%
33	8th	25%
34	9th	25%
35	10th and thereafter	0%
36	(10) For deductions allowed over a ten (10) year period:	
37	YEAR OF DEDUCTION	PERCENTAGE
38	1st	100%
39	2nd	95%
40	3rd	90%
41	4th	85%
42	5th	80%

C
o
p
y



1	6th	70%
2	7th	55%
3	8th	40%
4	9th	30%
5	10th	25%
6	11th and thereafter	0%

7 (f) Notwithstanding subsections (d) and (e), a deduction under this
 8 section is not allowed in the first year the deduction is claimed for new
 9 manufacturing equipment **or new research and development**
 10 **equipment, or both**, to the extent that it would cause the assessed
 11 value of all of the personal property of the owner in the taxing district
 12 in which the equipment is located (excluding personal property that is
 13 assessed as construction in process) to be less than the assessed value
 14 of all of the personal property of the owner in that taxing district
 15 (excluding personal property that is assessed as construction in
 16 process) in the immediately preceding year.

17 (g) If a deduction is not fully allowed under subsection (f) in the
 18 first year the deduction is claimed, then the percentages specified in
 19 subsection (d) or (e) apply in the subsequent years to the amount of
 20 deduction that was allowed in the first year.

21 (h) **For an economic revitalization area designated before July**
 22 **1, 1998**, the designating body shall determine whether a property owner
 23 whose statement of benefits is approved after April 30, 1991, is entitled
 24 to a deduction for five (5) or ten (10) years. **For an economic**
 25 **revitalization area designated after June 30, 1998, the designating**
 26 **body shall determine the number of years the deduction is allowed.**
 27 **However, the deduction may not be allowed for more than ten (10)**
 28 **years.** This determination shall be made:

- 29 (1) as part of the resolution adopted under section 2.5 of this
- 30 chapter; or
- 31 (2) by resolution adopted within sixty (60) days after receiving a
- 32 copy of a property owner's certified deduction application **or**
- 33 **schedule** from the state board of tax commissioners. A certified
- 34 copy of the resolution shall be sent to the county auditor and the
- 35 state board of tax commissioners.

36 A determination about ~~whether~~ the **number of years the deduction is**
 37 **for a period of five (5) or ten (10) years allowed** that is made under
 38 subdivision (1) is final and may not be changed by following the
 39 procedure under subdivision (2).

40 (i) The owner of new manufacturing equipment that is directly used
 41 to dispose of hazardous waste is not entitled to the deduction provided
 42 by this section for a particular assessment year if during that

C
O
P
Y



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

assessment year the owner:

- (1) is convicted of a violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or IC 13-30-6; or
- (2) is subject to an order or a consent decree with respect to property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

SECTION 23. IC 6-1.1-12.1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 5. (a) A property owner who desires to obtain the deduction provided by section 3 of this chapter must file a certified deduction application, on forms prescribed by the state board of tax commissioners, with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (e), the deduction application must be filed before May 10 of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before April 10 of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The deduction application required by this section must contain the following information:

- (1) The name of the property owner.
- (2) A description of the property for which a deduction is claimed in sufficient detail to afford identification.
- (3) The assessed value of the improvements before rehabilitation.
- (4) The increase in the assessed value of improvements resulting from the rehabilitation.
- (5) The assessed value of the new structure in the case of redevelopment.
- (6) The amount of the deduction claimed for the first year of the deduction.
- (7) If the deduction application is for a deduction in a residentially distressed area, the assessed value of the improvement or new structure for which the deduction is claimed.

(d) A deduction application filed under subsection (a) or (b) is applicable for the year in which the addition to assessed value or assessment of a new structure is made and in the ~~immediate~~ following ~~two (2); four (4); five (5); or nine (9) years whichever is applicable;~~ **the deduction is allowed**, without any additional deduction application

C
O
P
Y



1 being filed. However, property owners who had an area designated an
 2 urban development area pursuant to a deduction application filed prior
 3 to January 1, 1979, are only entitled to a deduction for a five (5) year
 4 period. In addition, property owners who are entitled to a deduction
 5 under this chapter pursuant to a deduction application filed after
 6 December 31, 1978, and before January 1, 1986, are entitled to a
 7 deduction for a ten (10) year period.

8 (e) A property owner who desires to obtain the deduction provided
 9 by section 3 of this chapter but who has failed to file a deduction
 10 application within the dates prescribed in subsection (a) or (b) may file
 11 a deduction application between March 1 and May 10 of a subsequent
 12 year which shall be applicable for the year filed and the subsequent
 13 years without any additional deduction application being filed for the
 14 amounts of the deduction which would be applicable to such years
 15 pursuant to section 4 of this chapter if such a deduction application had
 16 been filed in accordance with subsection (a) or (b).

17 (f) On verification of the correctness of a deduction application by
 18 the assessor of the township in which the property is located, the
 19 county auditor shall act as follows:

20 (1) If a determination about ~~whether the deduction is three (3); six~~
 21 ~~(6); or ten (10) the number of years the deduction is allowed~~
 22 has been made in the resolution adopted under section 2.5 of this
 23 chapter, the county auditor shall make the appropriate deduction.

24 (2) If a determination about ~~whether the deduction is three (3); six~~
 25 ~~(6); or ten (10) the number of years the deduction is allowed~~
 26 has not been made in the resolution adopted under section 2.5 of
 27 this chapter, the county auditor shall send a copy of the deduction
 28 application to the designating body. Upon receipt of the resolution
 29 stating ~~whether the number of years the deduction will be~~
 30 ~~allowed, for three (3); six (6); or ten (10) years;~~ the county auditor
 31 shall make the appropriate deduction.

32 (3) If the deduction application is for rehabilitation or
 33 redevelopment in a residentially distressed area, the county
 34 auditor shall make the appropriate deduction.

35 (g) The amount and period of the deduction provided for property
 36 by section 3 of this chapter are not affected by a change in the
 37 ownership of the property if the new owner of the property:

38 (1) continues to use the property in compliance with any
 39 standards established under section 2(g) of this chapter; and

40 (2) files an application in the manner provided by subsection (e).

41 (h) The township assessor shall include a notice of the deadlines for
 42 filing a deduction application under subsections (a) and (b) with each

C
O
P
Y



1 notice to a property owner of an addition to assessed value or of a new
2 assessment.

3 SECTION 24. IC 6-1.1-12.1-5.5, AS AMENDED BY P.L.6-1997,
4 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 1999]: Sec. 5.5. (a) A person that desires to obtain the
6 deduction provided by section 4.5 of this chapter must file a ~~certified~~
7 ~~deduction application schedule~~, on forms prescribed by the state board
8 of tax commissioners, with **the person's personal property return**
9 **with the township assessor. The township assessor shall forward**
10 **the personal property return and schedule to:**

11 (1) the auditor of the county in which the new manufacturing
12 equipment **or new research and development equipment, or**
13 **both**, is located; and

14 (2) the state board of tax commissioners; and

15 (3) **the designating body.**

16 A person that timely files a personal property return under
17 IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment
18 is installed must file the application between March 1 and May 15 of
19 that year. A person that obtains a filing extension under IC 6-1.1-3-7(b)
20 for the year in which the new manufacturing equipment is installed
21 must file the application between March 1 and June 14 of that year.
22 **The designating body shall determine if all persons qualifying for**
23 **the deduction provided by section 4.5 of this chapter have filed the**
24 **required schedule. Before June 20 each year, the designating body**
25 **shall notify each person that qualifies but failed to file the required**
26 **schedule. A person failing to file the required schedule at the time**
27 **of filing the personal property return must file the schedule with**
28 **the appropriate township assessor and the designating body before**
29 **July 15 each year. Before August 1 each year, the designating body**
30 **shall compile and send to the county auditor a list of all persons**
31 **eligible for the deduction and a statement whether the person filed**
32 **the schedule required by this section.**

33 (b) The ~~deduction application schedule~~ required by this section
34 must contain the following information:

35 (1) The name of the owner of the new manufacturing equipment
36 **or new research and development equipment, or both.**

37 (2) A description of the new manufacturing equipment **or new**
38 **research and development equipment, or both.**

39 (3) Proof of the date the new manufacturing equipment **or new**
40 **research and development equipment, or both**, was installed.

41 (4) The amount of the deduction claimed for the first year of the
42 deduction.



C
O
P
Y

1 **(5) The compliance statement required by section 5.6 of this**
 2 **chapter.**

3 **(6) Any other information required by the state board of tax**
 4 **commissioners.**

5 (c) This subsection applies to a ~~deduction application schedule~~ with
 6 respect to new manufacturing equipment **or new research and**
 7 **development equipment, or both**, for which a statement of benefits
 8 was initially approved after April 30, 1991. If a determination about
 9 ~~whether the number of years the deduction is for a period of five (5)~~
 10 ~~or ten (10) years allowed~~ has not been made in the resolution adopted
 11 under section 2.5 of this chapter, the county auditor shall send a copy
 12 of the ~~deduction application schedule~~ to the designating body and the
 13 designating body shall adopt a resolution under section 4.5(h)(2) of this
 14 chapter.

15 (d) A ~~deduction application schedule~~ must be filed under this
 16 section in the year in which the new manufacturing equipment **or new**
 17 **research and development equipment, or both**, is installed and in
 18 each of the immediately succeeding ~~four (4) or nine (9)~~ years
 19 ~~whichever is applicable. the deduction is allowed.~~

20 (e) The state board of tax commissioners shall review and verify the
 21 correctness of each ~~deduction application schedule~~ and shall notify the
 22 county auditor of the county in which the property is located that the
 23 ~~deduction application schedule~~ is approved or denied or that the
 24 amount of the deduction is altered. Upon notification of approval of the
 25 ~~deduction application schedule~~ or of alteration of the amount of the
 26 deduction, the county auditor shall make the deduction. The county
 27 auditor shall notify the county property tax assessment board of appeals
 28 of all deductions approved under this section.

29 (f) If the ownership of new manufacturing equipment **or new**
 30 **research and development equipment, or both**, changes, the
 31 deduction provided under section 4.5 of this chapter continues to apply
 32 to that equipment if the new owner:

33 (1) continues to use the equipment in compliance with any
 34 standards established under section 2(g) of this chapter; and

35 (2) files the deduction applications required by this section.

36 (g) The amount of the deduction is the percentage under section 4.5
 37 of this chapter that would have applied if the ownership of the property
 38 had not changed multiplied by the assessed value of the equipment for
 39 the year the deduction is claimed by the new owner.

40 (h) If a person desires to initiate an appeal of the state board of tax
 41 commissioners' final determination, the person must do all of the
 42 following not more than forty-five (45) days after the state board of tax



C
O
P
Y

1 commissioners gives the person notice of the final determination:

- 2 (1) File a written notice with the state board of tax commissioners
 3 informing the board of the person's intention to appeal.
 4 (2) File a complaint in the tax court.
 5 (3) Serve the attorney general and the county auditor with a copy
 6 of the complaint.

7 SECTION 25. IC 6-1.1-12.1-5.6, AS AMENDED BY P.L.25-1995,
 8 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 1999]: Sec. 5.6. (a) This subsection applies to a property
 10 owner whose statement of benefits was approved under section 4.5 of
 11 this chapter before July 1, 1991. In addition to the requirements of
 12 section 5.5(b) of this chapter, a ~~deduction application~~ **schedule** filed
 13 under section 5.5 of this chapter must contain information showing the
 14 extent to which there has been compliance with the statement of
 15 benefits approved under section 4.5 of this chapter. Failure to comply
 16 with a statement of benefits approved before July 1, 1991, may not be
 17 a basis for rejecting a deduction ~~application~~.

18 (b) This subsection applies to a property owner whose statement of
 19 benefits was approved under section 4.5 of this chapter after June 30,
 20 1991. In addition to the requirements of section 5.5(b) of this chapter,
 21 a property owner who files a ~~deduction application~~ **schedule** under
 22 section 5.5 of this chapter must provide the county auditor and the
 23 designating body with information showing the extent to which there
 24 has been compliance with the statement of benefits approved under
 25 section 4.5 of this chapter.

26 (c) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following
 27 information is a public record if filed under this section:

- 28 (1) The name and address of the taxpayer.
 29 (2) The location and description of the new manufacturing
 30 equipment **or new research and development equipment, or**
 31 **both**, for which the deduction was granted.
 32 (3) Any information concerning the number of employees at the
 33 facility where the new manufacturing equipment **or new research**
 34 **and development equipment, or both**, is located, including
 35 estimated totals that were provided as part of the statement of
 36 benefits.
 37 (4) Any information concerning the total of the salaries paid to
 38 those employees, including estimated totals that were provided as
 39 part of the statement of benefits.
 40 (5) Any information concerning the amount of solid waste or
 41 hazardous waste converted into energy or other useful products by
 42 the new manufacturing equipment.



C
O
P
Y

1 (6) Any information concerning the assessed value of the new
2 manufacturing equipment **or new research and development**
3 **equipment, or both**, including estimates that were provided as
4 part of the statement of benefits.

5 (d) The following information is confidential if filed under this
6 section:

7 (1) Any information concerning the specific salaries paid to
8 individual employees by the owner of the new manufacturing
9 equipment **or new research and development equipment, or**
10 **both.**

11 (2) Any information concerning the cost of the new
12 manufacturing equipment **or new research and development**
13 **equipment, or both.**

14 SECTION 26. IC 6-1.1-12.1-8 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 8. (a) No later
16 than December 31 of each year, the county auditor shall publish the
17 following in a newspaper of general interest and readership and not one
18 of limited subject matter:

19 (1) A list of the approved ~~deduction applications~~ **deductions** that
20 were filed under this chapter during that year. The list must
21 contain the following:

22 (A) The name and address of each person approved for or
23 receiving a deduction that was filed for during the year.

24 (B) The amount of each deduction that was filed for during the
25 year.

26 (C) The number of years for which each deduction that was
27 filed for during the year will be available.

28 (D) The total amount for all deductions that were filed for and
29 granted during the year.

30 (2) The total amount of all deductions for real property that were
31 in effect under section 3 of this chapter during the year.

32 (3) The total amount of all deductions for new manufacturing
33 equipment **or new research and development equipment, or**
34 **both**, that were in effect under section 4.5 of this chapter during
35 the year.

36 (b) The county auditor shall file the information described in
37 subsection (a)(2) and (a)(3) with the state board of tax commissioners
38 not later than December 31 of each year.

39 SECTION 27. IC 6-1.1-12.1-11.3, AS ADDED BY P.L.84-1995,
40 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JANUARY 1, 1999]: Sec. 11.3. (a) This section applies only to the
42 following requirements under section 3 of this chapter:

C
O
P
Y



- 1 (1) Failure to provide the completed statement of benefits form to
 2 the designating body before the hearing required by section 2.5(c)
 3 of this chapter.
 4 (2) Failure to submit the completed statement of benefits form to
 5 the designating body before the initiation of the redevelopment or
 6 rehabilitation or the installation of new manufacturing equipment
 7 **or new research and development equipment, or both**, for
 8 which the person desires to claim a deduction under this chapter.
 9 (3) Failure to designate an area as an economic revitalization area
 10 before the initiation of the:
 11 (A) redevelopment;
 12 (B) installation of new manufacturing equipment **or new**
 13 **research and development equipment, or both;** or
 14 (C) rehabilitation;
 15 for which the person desires to claim a deduction under this
 16 chapter.
 17 (4) Failure to make the required findings of fact before
 18 designating an area as an economic revitalization area or
 19 authorizing a deduction for new manufacturing equipment **or new**
 20 **research and development equipment, or both**, under section
 21 2, 3, or 4.5 of this chapter.
 22 (b) This section does not grant a designating body the authority to
 23 exempt a person from filing a **completed** statement of benefits or
 24 exempt a designating body from making findings of fact.
 25 (c) A designating body may by resolution ~~waive noncompliance~~
 26 **extend the date for compliance for a failure** described under
 27 subsection (a) under the terms and conditions specified in the
 28 resolution. Before adopting a waiver under this subsection, the
 29 designating body shall conduct a public hearing on the waiver.
 30 SECTION 28. IC 6-1.1-15-1, AS AMENDED BY P.L.6-1997,
 31 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JANUARY 1, 1999]: Sec. 1. (a) A taxpayer may obtain a review by the
 33 county property tax assessment board of appeals of a county or
 34 township official's action with respect to the assessment of the
 35 taxpayer's tangible property if the official's action requires the giving
 36 of notice to the taxpayer. At the time that notice is given to the
 37 taxpayer, he shall also be informed in writing of:
 38 (1) his opportunity for review under this section; and
 39 (2) the procedures he must follow in order to obtain review under
 40 this section.
 41 (b) In order to appeal a current assessment and have a change in the
 42 assessment effective for the most recent assessment date, the taxpayer



C
O
P
Y

1 must file a petition with the assessor of the county in which the action
2 is taken:

3 (1) within forty-five (45) days after notice of a change in the
4 assessment is given to the taxpayer; or

5 (2) May 10 of that year;

6 whichever is later. The county assessor shall notify the county auditor
7 **and the state board of tax commissioners** that the assessment is
8 under appeal. **In addition, the notice shall be sent to each affected**
9 **taxing unit when the appealed items constitute at least one percent**
10 **(1%) of the taxing unit's total gross certified assessed value for the**
11 **immediately preceding year. The notice must include the**
12 **appellant's name, address, and the assessed value for the**
13 **assessment date the year before the appeal and the assessed value**
14 **on the most recent assessment date.**

15 (c) A change in an assessment made as a result of an appeal filed:

16 (1) in the same year that notice of a change in the assessment is
17 given to the taxpayer; and

18 (2) after the time prescribed in subsection (b);

19 becomes effective for the next assessment date.

20 (d) A taxpayer may appeal a current real estate assessment in a year
21 even if the taxpayer has not received a notice of assessment in the year.
22 If an appeal is filed on or before May 10 of a year in which the taxpayer
23 has not received notice of assessment, a change in the assessment
24 resulting from the appeal is effective for the most recent assessment
25 date. If the appeal is filed after May 10, the change becomes effective
26 for the next assessment date.

27 (e) The state board of tax commissioners shall prescribe the form of
28 the petition for review of an assessment determination by a township
29 assessor. The board shall issue instructions for completion of the form.
30 The form and the instructions must be clear, simple, and
31 understandable to the average individual. An appeal of such a
32 determination must be made on the form prescribed by the board. The
33 form must require the petitioner to specify the following:

34 (1) The physical characteristics of the property in issue that bear
35 on the assessment determination.

36 (2) All other facts relevant to the assessment determination.

37 (3) The reasons why the petitioner believes that the assessment
38 determination by the township assessor is erroneous.

39 (f) The state board of tax commissioners shall prescribe a form for
40 a response by the township assessor to the petition for review of an
41 assessment determination. The board shall issue instructions for
42 completion of the form. The form must require the township assessor



C
O
P
Y

1 to indicate:

- 2 (1) agreement or disagreement with each item indicated on the
 3 petition under subsection (e); and
 4 (2) the reasons why the assessor believes that the assessment
 5 determination is correct.

6 (g) Immediately upon receipt of a timely filed petition on the form
 7 prescribed under subsection (e), the county assessor shall forward a
 8 copy of the petition to the township assessor who made the challenged
 9 assessment. The township assessor shall, within thirty (30) days after
 10 the receipt of the petition, attempt to hold a preliminary conference
 11 with the petitioner and resolve as many issues as possible. Within ten
 12 (10) days after the conference, the township assessor shall forward to
 13 the county auditor and county assessor a completed response to the
 14 petition on the form prescribed under subsection (f). The county
 15 assessor shall immediately forward a copy of the response form to the
 16 petitioner and the county property tax assessment board of appeals. ~~If~~
 17 ~~the county auditor determines that the appealed items on which there~~
 18 ~~is disagreement constitute at least one percent (1%) of the total gross~~
 19 ~~certified assessed value of the immediately preceding year for any~~
 20 ~~particular unit; the county auditor shall immediately notify the fiscal~~
 21 ~~officer of the unit.~~ If after the conference there are items listed in the
 22 petition on which there is disagreement, the property tax assessment
 23 board of appeals shall hold a hearing within ninety (90) days of the
 24 filing of the petition on those items of disagreement, **except as**
 25 **provided in subsection (h).** The taxpayer may present the taxpayer's
 26 reasons for disagreement with the assessment. The township assessor
 27 or county assessor for the county must present the basis for the
 28 assessment decision on these items to the board of appeals at the
 29 hearing and the reasons the petitioner's appeal should be denied on
 30 those items. The board of appeals shall have a written record of the
 31 hearing and prepare a written statement of findings and a decision on
 32 each item within sixty (60) days of the hearing. If the township assessor
 33 does not attempt to hold a preliminary conference, the board shall
 34 accept the appeal of the petitioner at the hearing.

35 **(h) The county property tax assessment board of appeals shall**
 36 **hold its hearing within one hundred eighty (180) days instead of**
 37 **ninety (90) days in a county having a population of more than four**
 38 **hundred thousand (400,000).**

39 SECTION 29. IC 6-1.1-15-4, AS AMENDED BY P.L.6-1997,
 40 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JANUARY 1, 1999]: Sec. 4. (a) After receiving a petition for review
 42 which is filed under section 3 of this chapter, the division of appeals of

C
O
P
Y



1 the state board of tax commissioners shall conduct a hearing at its
 2 earliest opportunity. In addition, the division of appeals of the state
 3 board may assess the property in question, correcting any errors which
 4 may have been made. The division of appeals of the state board shall
 5 give notice of the date fixed for the hearing, by mail, to the taxpayer
 6 and to the appropriate township assessor, county assessor, and county
 7 auditor. **In addition, the notice shall be sent to each affected taxing
 8 unit when the appealed items constitute at least one percent (1%)
 9 of the taxing unit's total gross certified assessed value for the
 10 immediately preceding year.** The division of appeals of the state
 11 board shall give these notices at least ten (10) days before the day fixed
 12 for the hearing. **The notice must include the appellant's name,
 13 address, and the assessed value for the assessment date the year
 14 before the appeal and the assessed value on the most recent
 15 assessment date.**

16 (b) If a petition for review does not comply with the state board of
 17 tax commissioners' instructions for completing the form prescribed
 18 under section 3 of this chapter, the division of appeals of the state
 19 board of tax commissioners shall return the petition to the petitioner
 20 and include a notice describing the defect in the petition. The petitioner
 21 then has thirty (30) days from the date on the notice to cure the defect
 22 and file a corrected petition. The division of appeals of the state board
 23 of tax commissioners shall deny a corrected petition for review if it
 24 does not substantially comply with the state board of tax
 25 commissioners' instructions for completing the form prescribed under
 26 section 3 of this chapter.

27 (c) The state board of tax commissioners shall prescribe a form for
 28 use in processing petitions for review of actions by the county property
 29 tax assessment board of appeals. The state board shall issue
 30 instructions for completion of the form. The form must require the
 31 division of appeals of the state board to indicate agreement or
 32 disagreement with each item that is:

- 33 (1) indicated on the petition submitted under section 1(e) of this
 34 chapter;
- 35 (2) included in the township assessor's response under section
 36 1(g) of this chapter; and
- 37 (3) included in the county property tax assessment board of
 38 appeals' findings, record, and determination under section 2.1(d)
 39 of this chapter.

40 The form must also require the division of appeals of the state board to
 41 indicate the issues in dispute and its reasons in support of its resolution
 42 of those issues.

C
O
P
Y

1 (d) After the hearing the division of appeals of the state board shall
 2 give the petitioner, the township assessor, the county assessor, ~~and~~ the
 3 county auditor, **and the affected taxing units required to be notified**
 4 **under subsection (a):**

- 5 (1) notice, by mail, of its final determination;
 6 (2) a copy of the form completed under subsection (c); and
 7 (3) notice of the procedures they must follow in order to obtain
 8 court review under section 5 of this chapter.

9 (e) The division of appeals of the state board of tax commissioners
 10 shall conduct a hearing within six (6) months after a petition in proper
 11 form is filed with the division, excluding any time due to a delay
 12 reasonably caused by the petitioner. The division of appeals shall make
 13 a determination within the later of forty-five (45) days after the hearing
 14 or the date set in an extension order issued by the chairman of the state
 15 board of tax commissioners. However, the state board of tax
 16 commissioners may not extend the final determination date by more
 17 than one hundred eighty (180) days. Except as provided in subsection
 18 ~~(g)~~: **(f):**

- 19 (1) the failure of the division of appeals to make a determination
 20 within the time allowed by this subsection shall be treated as a
 21 final determination of the state board of tax commissioners to
 22 deny the petition; and
 23 (2) a final decision of the division of appeals is a final
 24 determination of the state board of tax commissioners.

25 ~~(g)~~ **(f)** A final determination of the division of appeals is not a final
 26 determination of the state board of tax commissioners if the state board
 27 of tax commissioners:

- 28 (1) gives notice to the parties that the state board of tax
 29 commissioners will review the determination of the division of
 30 appeals within fifteen (15) days after the division of appeals gives
 31 notice of the determination to the parties or the maximum
 32 allowable time for the issuance of a determination under
 33 subsection ~~(f)~~ **(e)** expires; or
 34 (2) determines to rehear the determination under section 5 of this
 35 chapter.

36 The state board of tax commissioners shall conduct a review under
 37 subdivision (1) in the same manner as a rehearing under section 5 of
 38 this chapter.

39 SECTION 30. IC 6-1.1-15-5, AS AMENDED BY P.L.6-1997,
 40 SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JANUARY 1, 1999]: Sec. 5. (a) Within fifteen (15) days after the
 42 division of appeals of the state board of tax commissioners gives notice

C
O
P
Y



1 of its final determination under section 4 of this chapter to the party or
 2 the maximum allowable time for the issuance of a determination by the
 3 division of appeals under section 4 of this chapter expires, a party to
 4 the proceeding may request a rehearing before the board. The board
 5 may conduct a rehearing and affirm or modify its final determination,
 6 giving the same notices after the rehearing as are required by section
 7 4 of this chapter. The state board of tax commissioners has thirty (30)
 8 days after receiving a petition for a rehearing to determine whether to
 9 grant a rehearing. Failure to grant a rehearing within thirty (30) days
 10 after receiving the petition shall be treated as a final determination to
 11 deny the petition. A petition for a rehearing does not toll the time in
 12 which to file a petition for judicial review unless the petition for
 13 rehearing is granted. If the state board of tax commissioners determines
 14 to rehear a final determination of the division of appeals, the state
 15 board of tax commissioners:

- 16 (1) may conduct the additional hearings that the state board of tax
- 17 commissioners determines necessary or review the written record
- 18 of the division of appeals without additional hearings; and
- 19 (2) shall issue a final determination within ninety (90) days after
- 20 notifying the parties that the state board of tax commissioners will
- 21 rehear the determination.

22 Failure of the state board of tax commissioners to make a determination
 23 within the time allowed under subdivision (2) shall be treated as a final
 24 determination affirming the decision of the division of appeals.

25 (b) A person may appeal the final determination of the division of
 26 appeals or the state board of tax commissioners regarding the
 27 assessment of that person's tangible property. The appeal shall be taken
 28 to the tax court. Appeals may be consolidated at the request of the
 29 appellants if it can be done in the interest of justice.

30 (c) If a person desires to initiate an appeal of the state board of tax
 31 commissioners' final determination, the person shall:

- 32 (1) file a written notice with the state board of tax commissioners
- 33 informing the board of his intention to appeal;
- 34 (2) file a complaint in the tax court; and
- 35 (3) serve the attorney general and the county assessor with a copy
- 36 of the complaint.

37 (d) To initiate an appeal under this section, a person must take the
 38 action required by subsection (c) within:

- 39 (1) forty-five (45) days after the state board of tax commissioners
- 40 gives the person notice of its final determination under
- 41 IC 6-1.1-14-11 unless a rehearing is conducted under subsection
- 42 (a);



C
O
P
Y

- 1 (2) thirty (30) days after the board gives the person notice under
 2 subsection (a) of its final determination, if a rehearing is
 3 conducted under subsection (a) or the maximum time elapses for
 4 the state board of tax commissioners to make a determination
 5 under this section; or
 6 (3) forty-five (45) days after the division of appeals gives notice
 7 of a final determination under section 4 of this chapter or the
 8 division fails to make a determination within the maximum time
 9 allowed under section 4 of this chapter, if a rehearing is not
 10 granted under this section.

11 (e) The failure of the state board of tax commissioners to conduct a
 12 hearing within the time period prescribed in section 4(b) of this chapter
 13 does not constitute notice to the person of a board determination.

14 (f) In a case in which the final determination of the state board of
 15 tax commissioners would result in a claim by a taxpayer with respect
 16 to a particular year for a refund that exceeds:

- 17 (1) eight hundred thousand dollars (\$800,000); or
 18 (2) an amount equal to ten percent (10%) of the aggregate tax
 19 levies of ~~an~~ **any** taxing ~~units~~ **unit** in the county for that year;

20 whichever is less, the county executive may take an appeal to the tax
 21 court in the manner prescribed in this section ~~but only~~ upon request by
 22 the county assessor **or an affected taxing unit. If the appeal is taken**
 23 **at the request of an affected taxing unit, the taxing unit shall pay**
 24 **the costs of the appeal.**

25 SECTION 31. IC 6-1.1-15-6 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 6. (a) If an appeal
 27 is initiated by a person under section 5 of this chapter, the secretary of
 28 the state board of tax commissioners shall prepare a certified ~~transcript~~
 29 **record** of the proceedings related to the appeal. ~~However, the transcript~~
 30 ~~shall not include the evidence compiled by the board with respect to the~~
 31 ~~proceedings. The secretary of the board shall transmit the transcript to~~
 32 ~~the clerk of the court designated by the appellant. The record must~~
 33 **consist of the following documents:**

- 34 (1) **Copies of all papers submitted to the state board during**
 35 **the course of the action and copies of all papers provided to**
 36 **the parties by the state board. The term "papers" includes**
 37 **without limitation all notices, petitions, motions, photographs,**
 38 **and other written documents.**
 39 (2) **The transcript of the evidence and proceedings at the**
 40 **administrative hearing conducted by the division of appeals**
 41 **of the state board.**
 42 (3) **Copies of all exhibits and physical objects provided to the**

C
O
P
Y

1 **division of appeals of the state board during the course of the**
 2 **administrative hearing conducted by the division of appeals.**
 3 **Copies of the exhibits that, because of their nature, cannot be**
 4 **incorporated into the record must be kept by the state board**
 5 **until the appeal is finally terminated. However, this evidence**
 6 **must be briefly named and identified in the transcript of the**
 7 **evidence and proceedings.**

8 **(b) If a report of all or part of the evidence or proceedings at the**
 9 **hearing conducted by the state board was not made, or if a**
 10 **transcript is unavailable, a party to the appeal initiated under**
 11 **section 5 of this chapter may prepare a statement of the evidence**
 12 **or proceedings from the best available means, including the party's**
 13 **recollection. The statement must be submitted to the Indiana tax**
 14 **court and must also be served on all other parties who may then**
 15 **serve objections or prepare amendments to the statement within**
 16 **ten (10) days after service.**

17 **(c) If, on appeal, any difference arises as to whether the record,**
 18 **or the statement of evidence or proceedings when no record is**
 19 **available, truly discloses what occurred during board proceedings,**
 20 **the differences shall be submitted to the state board and settled by**
 21 **the state board and the record made to conform to the truth.**

22 SECTION 32. IC 6-1.1-15-9 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 9. (a) If tangible
 24 property is reassessed by the state board of tax commissioners under
 25 section 8 of this chapter, the owner of the property has a right to appeal
 26 the board's final determination of the reassessment. In a case meeting
 27 the requirements of section 5(f)(1) or 5(f)(2) of this chapter, the county
 28 executive ~~also has a right to~~ **may** appeal the board's final determination
 29 of the reassessment ~~but only~~ upon request by the county assessor **or an**
 30 **affected taxing unit. If the appeal is taken at the request of an**
 31 **affected taxing unit, the taxing unit shall pay the costs of the**
 32 **appeal.**

33 (b) An appeal under this section must be initiated in the manner
 34 prescribed in section 5 of this chapter.

35 SECTION 33. IC 6-1.1-15-10, AS AMENDED BY P.L.86-1995,
 36 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JANUARY 1, 1999]: Sec. 10. (a) **This section applies to a petition**
 38 **for review to a board or an appeal to the tax court involving less**
 39 **than:**

- 40 (1) **five hundred thousand dollars (\$500,000) in assessed value**
 41 **resulting from an original assessment; or**
 42 (2) **an increase of five hundred thousand dollars (\$500,000) in**



C
O
P
Y

1 **assessed value from one (1) year to the next.**

2 ~~(a)~~ **(b)** If a petition for review to any board or an appeal to the tax
3 court regarding an assessment or increase in assessment is pending, the
4 taxes resulting from the assessment or increase in assessment are,
5 notwithstanding the provisions of IC 6-1.1-22-9, not due until after the
6 petition for review, or the appeal, is finally adjudicated and the
7 assessment or increase in assessment is finally determined. However,
8 even though a petition for review or an appeal is pending, the taxpayer
9 shall pay taxes on the tangible property when the property tax
10 installments come due, unless the collection of the taxes is enjoined
11 pending an original tax appeal under IC 33-3-5. The amount of taxes
12 which the taxpayer is required to pay, pending the final determination
13 of the assessment or increase in assessment, shall be based on:

14 (1) the assessed value reported by the taxpayer on his personal
15 property return if a personal property assessment, or an increase
16 in such an assessment, is involved; or

17 (2) an amount based on the immediately preceding year's
18 assessment of real property if an assessment, or increase in
19 assessment, of real property is involved.

20 ~~(b)~~ **(c)** If the petition for review or the appeal is not finally
21 determined by the last installment date for the taxes, the taxpayer, upon
22 showing of cause by a taxing official or at the tax court's discretion,
23 may be required to post a bond or provide other security in an amount
24 not to exceed the taxes resulting from the contested assessment or
25 increase in assessment.

26 ~~(c)~~ **(d)** Each county auditor shall keep separate on the tax duplicate
27 a record of that portion of the assessed value of property on which a
28 taxpayer is not required to pay taxes under subsection ~~(a)~~: **(b)**. When
29 establishing rates and calculating state school support, the state board
30 of tax commissioners shall recognize the fact that a taxpayer is not
31 required to pay taxes under certain circumstances.

32 SECTION 34. IC 6-1.1-15-10.5 IS ADDED TO THE INDIANA
33 CODE AS A NEW SECTION TO READ AS FOLLOWS
34 [EFFECTIVE JANUARY 1, 1999]: **Sec. 10.5. (a) This section applies**
35 **to a petition for review to a board or an appeal to the tax court**
36 **involving at least:**

37 **(1) five hundred thousand dollars (\$500,000) in assessed value**
38 **resulting from an original assessment; or**

39 **(2) an increase of five hundred thousand dollars (\$500,000) in**
40 **assessed value from one (1) year to the next.**

41 **(b) If a petition for review to a board or an appeal to the tax**
42 **court regarding an assessment or increase in assessment is**

C
O
P
Y



1 pending, the taxes resulting from the assessment or increase in
 2 assessment may be paid. On each semiannual due date for payment
 3 of property taxes, the county assessor shall provide the county
 4 treasurer a list by tax district of the parcels eligible under
 5 subsection (a). The list must include the parcel or tax number, the
 6 appellant's name, address, and the assessed value for the
 7 assessment date of the year before the appeal, the assessed value on
 8 the most recent assessment date, and the difference in assessed
 9 value. Within sixty (60) days after receiving the list, the county
 10 treasurer shall report the collection to the county auditor.

11 (c) Within ninety (90) days of the semiannual due date of taxes,
 12 the county auditor shall certify the information received under
 13 subsection (b) to the various taxing units and the state board of tax
 14 commissioners. The unit shall deposit the taxes attributable to the
 15 disputed assessment in an interest bearing reserve account until
 16 after the petition for review or the appeal is finally adjudicated and
 17 the assessment, or increase in assessment is finally determined. A
 18 taxing unit may not expend property taxes held in reserve under
 19 this section.

20 (d) The county auditor shall keep separate on the tax duplicate
 21 a record of that part of the assessed value of property on which
 22 property taxes are held in reserve under subsection (b). When
 23 establishing rates and calculating state school support, the state
 24 board of tax commissioners shall recognize the fact that a taxing
 25 unit may not expend property taxes held in reserve under this
 26 section.

27 (e) A refund to a prevailing taxpayer shall be paid first from the
 28 property taxes held in reserve under this section.

29 (f) If an assessment or increase in assessment is upheld in a final
 30 determination, the county treasurer shall transfer the property
 31 taxes and interest held under this section in an amount
 32 proportional to the amount of property taxes foregone by each
 33 taxing unit under this section to the fiscal officer of each taxing
 34 unit in the county.

35 (g) The taxing unit shall deposit property taxes and interest
 36 transferred under subsection (f) into the taxing unit's levy excess
 37 fund.

38 (h) The state board of tax commissioners shall adopt rules under
 39 IC 4-22-2 to implement this section.

40 SECTION 35. IC 6-1.1-15-11 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 11. (a) If a review
 42 or appeal authorized under this chapter results in a reduction of the



C
O
P
Y

1 amount of an assessment or if the state board of tax commissioners on
 2 its own motion reduces an assessment, the taxpayer is entitled to a
 3 credit in the amount of any overpayment of tax on the next successive
 4 tax installment, if any, due in that year. If, after the credit is given, a
 5 further amount is due the taxpayer, he may file a claim for the amount
 6 due. If the claim is allowed by the board of county commissioners, the
 7 county auditor shall, without an appropriation being required, pay the
 8 amount due the taxpayer. **However, if the amount due the taxpayer**
 9 **exceeds one hundred thousand dollars (\$100,000), the county**
 10 **auditor may pay the amount due in not more than four (4) annual**
 11 **installments to the extent the amount has not been deposited in an**
 12 **escrow account under section 10.5 of this chapter.** The county
 13 auditor shall charge the amount refunded to the taxpayer against the
 14 accounts of the various taxing units to which the overpayment has been
 15 paid.

16 (b) **If the county auditor pays the amount due the taxpayer in**
 17 **annual installments under subsection (a), the taxpayer is entitled**
 18 **to receive with each installment the interest accrued upon the total**
 19 **amount due the taxpayer at six percent (6%) per annum.**

20 (c) **Notwithstanding subsection (a), the county auditor, the**
 21 **taxing units to which the overpayment has been paid, and the**
 22 **taxpayer may agree to a mutually satisfactory payment schedule.**

23 SECTION 36. IC 6-1.1-17-1, AS AMENDED BY P.L.50-1996,
 24 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JANUARY 1, 1999]: Sec. 1. (a) On or before August 1 of each year,
 26 the county auditor shall send a certified statement, under the seal of the
 27 board of county commissioners, to the fiscal officer of each political
 28 subdivision of the county and the state board of tax commissioners. The
 29 statement shall contain:

- 30 (1) information concerning the assessed valuation in the political
 31 subdivision for the next calendar year;
 32 (2) an estimate of the taxes to be distributed to the political
 33 subdivision during the last six (6) months of the current calendar
 34 year;
 35 (3) the current assessed valuation as shown on the abstract of
 36 charges;
 37 (4) **the appellant's name, address, and the assessed value for**
 38 **the assessment date the year before the appeal and the**
 39 **assessed value on the most recent assessment date for each**
 40 **petition for review filed with any board or an appeal to the**
 41 **tax court for petitions and appeals as of July 15;**
 42 (4) (5) the average growth in assessed valuation in the political



C
O
P
Y

1 subdivision over the preceding three (3) budget years, excluding
 2 years in which a general reassessment occurs, determined
 3 according to procedures established by the state board of tax
 4 commissioners; and

5 ~~(5)~~ (6) any other information at the disposal of the county auditor
 6 that might affect the assessed value used in the budget adoption
 7 process.

8 (b) The estimate of taxes to be distributed shall be based on:

9 (1) the abstract of taxes levied and collectible for the current
 10 calendar year, less any taxes previously distributed for the
 11 calendar year; and

12 (2) any other information at the disposal of the county auditor
 13 which might affect the estimate.

14 (c) The fiscal officer of each political subdivision shall present the
 15 county auditor's statement to the proper officers of the political
 16 subdivision.

17 SECTION 37. IC 6-1.1-17-2.5 IS ADDED TO THE INDIANA
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE JANUARY 1, 1999]: **Sec. 2.5. (a) When certifying the**
 20 **assessed value of a political subdivision for budget making**
 21 **purposes, the county auditor:**

22 (1) shall exclude appealed assessed value; and

23 (2) may exclude assessed value of property that is part of a
 24 bankruptcy estate, if the county auditor determines that the
 25 property taxes will be uncollectible if assessed.

26 **The amount to be excluded under subdivision (1) shall be**
 27 **determined by the county auditor but may not be greater than the**
 28 **difference in the assessed value for the assessment date the year**
 29 **before the assessment appeal and the assessed value on the most**
 30 **recent assessment date as certified by the county auditor under**
 31 **IC 6-1.1-17-1. If the appeal concerns the assessment of new**
 32 **property, the amount of assessed value to be excluded is only the**
 33 **amount subject to appeal as estimated by the county assessor.**

34 (b) **The proper officers of a political subdivision shall exclude**
 35 **appealed and bankruptcy assessed value excluded under subsection**
 36 **(a) when formulating the political subdivision's estimated budget**
 37 **and its proposed tax rate and tax levy for the ensuing budget year.**

38 SECTION 38. IC 6-1.1-28-1, AS AMENDED BY P.L.6-1997,
 39 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JANUARY 1, 1999]: Sec. 1. Each county shall have a county property
 41 tax assessment board of appeals composed of individuals who are at
 42 least eighteen (18) years of age and knowledgeable in the valuation of



C
O
P
Y

1 property. **Except for the county assessor, an individual who is an**
 2 **officer or employee of a county or township may not serve on the**
 3 **board of appeals in the county in which the individual is an officer**
 4 **or employee.** The fiscal body of the county shall appoint two (2)
 5 individuals to the board. At least one (1) of the members appointed by
 6 the county fiscal body must be a certified level two assessor-appraiser.
 7 The board of commissioners of the county shall appoint two (2)
 8 freehold members so that not more than three (3) of the five (5)
 9 members may be of the same political party and so that at least three
 10 (3) of the five (5) members are residents of the county. At least one (1)
 11 of the members appointed by the board of county commissioners must
 12 be a certified level two assessor-appraiser, **unless the county assessor**
 13 **is a certified level two assessor-appraiser.** A person appointed to a
 14 property tax assessment board of appeals may not serve on the property
 15 tax assessment board of appeals of another county at the same time.
 16 The members of the board shall elect a president. The employees of the
 17 county assessor shall provide administrative support to the property tax
 18 assessment board of appeals. The county assessor is a voting member
 19 of the property tax assessment board of appeals and shall serve as
 20 secretary of the board. The secretary shall keep full and accurate
 21 minutes of the proceedings of the board. A majority of the board
 22 constitutes a quorum for the transaction of business. Any question
 23 properly before the board may be decided by the agreement of a
 24 majority of the whole board.

25 SECTION 39. IC 6-1.1-31-1 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 1. (a) The state
 27 board of tax commissioners shall do the following:

- 28 (1) Prescribe the property tax forms and returns which taxpayers
 29 are to complete and on which the taxpayers' assessments will be
 30 based.
- 31 (2) Prescribe the forms to be used to give taxpayers notice of
 32 assessment actions.
- 33 (3) Adopt rules concerning the assessment of tangible property.
- 34 (4) Develop specifications that prescribe state requirements for
 35 computer software and hardware to be used by counties for
 36 assessment purposes. The specifications developed under this
 37 subdivision apply only to computer software and hardware
 38 systems purchased for assessment purposes after July 1, 1993.
- 39 **(5) Adopt rules establishing criteria for determining whether**
 40 **a project qualifies as rehabilitation under IC 6-1.1-12-18 or**
 41 **IC 6-1.1-12-22.**
- 42 **(6) Adopt rules establishing criteria for the revocation of a**

ES 382—LS 7160/DI 73+



C
O
P
Y

1 **certification under IC 6-1.1-35.5-6.**

2 (b) The state board of tax commissioners may promulgate rules
3 which are related to **property taxation** or the duties or the procedures
4 of the board.

5 SECTION 40. IC 6-1.1-31-6 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 6. (a) With
7 respect to the assessment of real property, the rules of the state board
8 of tax commissioners shall provide for:

9 (1) the ~~classification~~ **just valuation** of land on the basis of
10 **comparable sales for nonagricultural land and income**
11 **capitalization for agricultural land using classifications and**
12 **the most recent data concerning:**

- 13 (i) acreage;
14 (ii) lots;
15 (iii) size;
16 (iv) location;
17 (v) use;
18 (vi) productivity or earning capacity;
19 (vii) applicable zoning provisions;
20 (viii) accessibility to highways, sewers, and other public
21 services or facilities; and
22 (ix) any other factor that the board determines by rule is just
23 and proper; and

24 (2) ~~the classification~~ **determining reproduction cost and**
25 **depreciation** of improvements on the basis of **classifications and**
26 **the most recent data concerning:**

- 27 (i) size;
28 (ii) location;
29 (iii) use;
30 (iv) type and character of construction;
31 (v) age;
32 (vi) condition;
33 (vii) cost of reproduction; and
34 (viii) any other factor that the board determines by rule is just
35 and proper.

36 (b) With respect to the assessment of real property, the rules of the
37 state board of tax commissioners shall **use the most recent data at the**
38 **time the rules are adopted and** include instructions for determining:

- 39 (1) the proper classification of real property;
40 (2) the size of real property;
41 (3) the effects that location and use have on the **true tax** value of
42 real property;

C
O
P
Y



- 1 (4) the depreciation, including physical deterioration and
 2 obsolescence, of real property;
 3 (5) the cost of reproducing improvements;
 4 (6) the productivity or earning capacity of land; and
 5 (7) the true tax value of real property based on the factors listed
 6 in this subsection and any other factor that the board determines
 7 by rule ~~is just and proper~~. **is necessary to provide for the just**
 8 **valuation of property.**

9 (c) **The rules of the state board of tax commissioners shall**
 10 **include instructions for determining the starting point for the**
 11 **valuation of used depreciable personal property after a sale or**
 12 **transfer of the property.**

13 (e) ~~With respect to the assessment of real property, true tax value~~
 14 ~~does not mean fair market value.~~ (d) True tax value is ~~the value just~~
 15 **valuation when it is** determined under the rules of the state board of
 16 tax commissioners.

17 SECTION 41. IC 6-1.1-31-7 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 7. (a) With
 19 respect to the assessment of personal property, the rules of the state
 20 board of tax commissioners shall provide for the classification of
 21 personal property on the basis of **the most recent data concerning:**

- 22 (1) date of purchase;
 23 (2) location;
 24 (3) use;
 25 (4) depreciation, obsolescence and condition; and
 26 (5) any other factor that the board determines by rule ~~is just and~~
 27 ~~proper~~. **is necessary to provide for the just valuation of**
 28 **property.**

29 (b) With respect to the assessment of personal property, the rules of
 30 the state board of tax commissioners shall **use the most recent data at**
 31 **the time the rules are adopted and** include instructions for
 32 determining:

- 33 (1) the proper classification of personal property;
 34 (2) the effect that location has on the **true tax** value of personal
 35 property;
 36 (3) the cost of reproducing personal property;
 37 (4) the depreciation, including physical deterioration and
 38 obsolescence, of personal property; and
 39 (5) the true tax value of personal property based on the factors
 40 listed in this subsection and any other factor that the board
 41 determines by rule ~~is just and proper~~. **is necessary to provide for**
 42 **the just valuation of property.**



C
O
P
Y

1 (c) In providing for the classification of personal property and the
 2 instructions for determining the items listed in subsection (b), the state
 3 board of tax commissioners shall not include the value of land as a cost
 4 of producing tangible personal property subject to assessment.

5 (d) ~~With respect to the assessment of personal property, true tax~~
 6 ~~value does not mean fair market value.~~ True tax value is the **value just**
 7 **valuation** determined under **the** rules of the state board of tax
 8 commissioners.

9 SECTION 42. IC 6-1.1-31.5-2, AS ADDED BY P.L.6-1997,
 10 SECTION 107, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JANUARY 1, 1999]: Sec. 2. (a) The board shall adopt
 12 rules under IC 4-22-2 to prescribe computer specification standards and
 13 for the certification of:

- 14 (1) computer operating systems;
- 15 (2) computer software;
- 16 (3) software providers;
- 17 (4) computer service providers; and
- 18 (5) computer equipment providers.

19 (b) The rules of the board shall provide for **the following:**

- 20 (1) The effective and efficient administration of assessment laws.
- 21 (2) The prompt updating of assessment data **annually in a**
 22 **manner that the assessments may be updated each year using**
 23 **the most recent valuation standards, beginning in 2002.**
- 24 (3) The administration of information contained in the sales
 25 disclosure form, as required under IC 6-1.1-5.5. ~~and~~
- 26 (4) **Annually updating the land valuation standards under**
 27 **IC 6-1.1-4-13.6, beginning in 2002.**
- 28 (5) **Annually updating the standards for reproduction costs**
 29 **and depreciation as determined under IC 6-1.1-31-6 and**
 30 **IC 6-1.1-31-7, beginning in 2002.**
- 31 (6) **Annually updating the income capitalization standards for**
 32 **agricultural land as determined under IC 6-1.1-4-13,**
 33 **beginning in 2002.**

34 ~~(7)~~ (7) **Any** other information necessary to carry out the
 35 administration of the property tax assessment laws.

36 (c) After December 31, 1998, a county may contract only for
 37 computer software and with software providers, computer service
 38 providers, and equipment providers that are certified by the board
 39 under the rules described in subsection (a).

40 (d) ~~The initial rules under this section must be adopted under~~
 41 ~~IC 4-22-2 before January 1, 1998. The rules adopted must use the~~
 42 **most recent data available at the time the rules are adopted for**

C
O
P
Y

1 **establishing standards for determining reproduction cost,**
 2 **depreciation, comparable sales, and income capitalization.**

3 SECTION 43. IC 6-1.1-31.5-3, AS ADDED BY P.L.6-1997,
 4 SECTION 107, IS AMENDED TO READ AS FOLLOWS
 5 [EFFECTIVE JANUARY 1, 1999]: Sec. 3. (a) After December 31,
 6 1998, each county shall maintain a state certified computer system that
 7 has the capacity to:

- 8 (1) process and maintain assessment records;
 9 (2) process and maintain standardized property tax forms;
 10 (3) process and maintain standardized property assessment
 11 notices;
 12 (4) maintain complete and accurate assessment records for the
 13 county; and
 14 (5) process and compute complete and accurate assessments in
 15 accordance with Indiana law.

16 The county assessor with the recommendation of the township
 17 assessors shall select the computer system used by township assessors
 18 and the county assessor in the county except in a county with a
 19 township assessor elected under IC 36-6-5-1 in every township. In a
 20 county with an elected township assessor under IC 36-6-5-1 in every
 21 township, the county assessor shall select a computer system based on
 22 a majority vote of the township assessors in the county.

23 (b) All information on the computer system shall be readily
 24 accessible to:

- 25 (1) township assessors;
 26 (2) the county assessor;
 27 (3) the board; and
 28 (4) members of the county property tax assessment board of
 29 appeals.

30 (c) The certified system used by the counties must be compatible
 31 with the data export and transmission requirements in a standard
 32 format prescribed by the board. The certified system must be
 33 maintained in a manner that ensures prompt and accurate transfer of
 34 data to the board.

35 (d) All standardized property forms and notices on the certified
 36 computer system shall be maintained by the township assessor and the
 37 county assessor in an accessible location and in a format that is easily
 38 understandable for use by persons of the county.

39 (e) **After December 31, 2001, the state certified computer system**
 40 **maintained by each county must have the capacity to update before**
 41 **March 15 of each year the following data:**

- 42 (1) **The cost of reproducing improvements.**



C
O
P
Y

1 **(2) The depreciation of real property.**

2 **(3) The value of land as determined under IC 6-1.1-4-13.6.**

3 **(4) The productivity or earning capacity of land used for**
4 **agriculture as determined under IC 6-1.1-4-13.**

5 SECTION 44. IC 6-1.1-35.5-4 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 4. (a) The level
7 one examination shall be given in the month of July, and the level two
8 examination shall be given in the month of August. Both level
9 examinations also shall be offered annually immediately following the
10 conference of state board of tax commissioners and at any other times
11 that coordinate with ~~applicable courses of instruction.~~ **training**
12 **sessions conducted under IC 6-1.1-35.2-2.** The state board of tax
13 commissioners may also give either or both examinations at other times
14 throughout the year.

15 (b) Examinations shall be held **annually** in Indianapolis at a
16 ~~location~~ **and at not less than four (4) other convenient locations**
17 chosen by the state board of tax commissioners.

18 **(c) The state board of tax commissioners may not limit the**
19 **number of individuals who take the examination and shall provide**
20 **an opportunity for all enrollees at each session to take the**
21 **examination at that session.**

22 SECTION 45. IC 6-1.1-35.5-6 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 6. (a) The state
24 board of tax commissioners shall certify all persons who successfully
25 perform **on** an examination under this chapter and shall furnish them
26 with a certificate that prominently displays the name of the successful
27 examinee and the fact that he is a level one or level two certified
28 Indiana assessor-appraiser.

29 **(b) The state board of tax commissioners shall revoke the**
30 **certification of an individual if the state board reasonably**
31 **determines that the individual committed fraud or**
32 **misrepresentation with respect to the preparation, administration,**
33 **or taking of the examination. The state board of tax commissioners**
34 **shall give notice and hold a hearing to consider all the evidence**
35 **about the fraud or misrepresentation before revoking the**
36 **individual's certification.**

37 SECTION 46. IC 6-1.1-43-5 IS ADDED TO THE INDIANA CODE
38 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
39 1, 1998]: Sec. 5. (a) **The department of commerce shall adopt rules**
40 **under IC 4-22-2 to implement this chapter.**

41 **(b) The department of commerce shall annually prepare a**
42 **report on the implementation of this chapter. The report must be**

C
O
P
Y



1 submitted before December 31 each year to the following:

- 2 (1) The governor.
 3 (2) The lieutenant governor.
 4 (3) The general assembly.

5 SECTION 47. IC 6-3.1-19 IS ADDED TO THE INDIANA CODE
 6 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 7 JANUARY 1, 1999]:

8 **Chapter 19. Community Revitalization Enhancement District**
 9 **Tax Credit**

10 **Sec. 1. As used in this chapter, "state and local tax liability"**
 11 **means a taxpayer's total tax liability incurred under:**

- 12 (1) IC 6-2.1 (the gross income tax);
 13 (2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
 14 (3) IC 6-3-8 (the supplemental corporate net income tax);
 15 (4) IC 6-3.5-1.1 (county adjusted gross income tax);
 16 (5) IC 6-3.5-6 (county option income tax);
 17 (6) IC 6-3.5-7 (county economic development income tax);
 18 (7) IC 6-5-10 (the bank tax);
 19 (8) IC 6-5-11 (the savings and loan association tax);
 20 (9) IC 6-5.5 (the financial institutions tax); and
 21 (10) IC 27-1-18-2 (the insurance premiums tax);

22 as computed after the application of all credits that under
 23 IC 6-3.1-1-2 are to be applied before the credit provided by this
 24 chapter.

25 **Sec. 2. As used in this chapter, "qualified investment" means the**
 26 **amount of a taxpayer's expenditures that is:**

- 27 (1) for redevelopment or rehabilitation of property located
 28 within a community revitalization enhancement district
 29 designated under IC 36-7-13;
 30 (2) made under a plan adopted by an advisory commission on
 31 industrial development under IC 36-7-13; and
 32 (3) approved by the department of commerce before the
 33 expenditure is made.

34 **Sec. 3. (a) Subject to section 5 of this chapter, a taxpayer is**
 35 **entitled to a credit against the taxpayer's state and local tax**
 36 **liability for a taxable year if the taxpayer makes a qualified**
 37 **investment in that year.**

38 (b) The amount of the credit to which a taxpayer is entitled is
 39 the qualified investment made by the taxpayer during the taxable
 40 year multiplied by twenty-five percent (25%).

41 (c) A taxpayer may assign any part of the credit to which the
 42 taxpayer is entitled under this chapter to a lessee of property



C
O
P
Y

1 redeveloped or rehabilitated under section 2 of this chapter. A
2 credit that is assigned under this subsection remains subject to this
3 chapter.

4 (d) An assignment under subsection (c) must be in writing and
5 both the taxpayer and the lessee must report the assignment on
6 their state tax return for the year in which the assignment is made,
7 in the manner prescribed by the department. The taxpayer may
8 not receive value in connection with the assignment under
9 subsection (c) that exceeds the value of the part of the credit
10 assigned.

11 **Sec. 4.** If the amount of the credit determined under section 3 of
12 this chapter for a taxable year exceeds the taxpayer's state tax
13 liability for that taxable year, the taxpayer may carry the excess
14 over to the immediately following taxable years. The amount of the
15 credit carryover from a taxable year shall be reduced to the extent
16 that the carryover is used by the taxpayer to obtain a credit under
17 this chapter for any subsequent taxable year. A taxpayer is not
18 entitled to a carryback or refund of any unused credit.

19 **Sec. 5.** (a) Except as provided in subsection (b), a taxpayer is not
20 entitled to claim the credit provided by this chapter to the extent
21 that the taxpayer substantially reduces or ceases its operations in
22 Indiana in order to relocate them within the district.

23 (b) Notwithstanding subsection (a), a taxpayer's substantial
24 reduction or cessation of operations in Indiana in order to relocate
25 operations to a district does not make a taxpayer ineligible for a
26 credit under this chapter if:

- 27 (1) the taxpayer had existing operations in the district; and
28 (2) the operations relocated to the district are an expansion of
29 the taxpayer's operations in the district.

30 (c) A determination that a taxpayer is not entitled to the credit
31 provided by this chapter as a result of a substantial reduction or
32 cessation of operations applies to credits that would otherwise arise
33 in the taxable year in which the substantial reduction or cessation
34 occurs and in all subsequent years. Determinations under this
35 section shall be made by the department of state revenue.

36 **Sec. 6.** To receive the credit provided by this section, a taxpayer
37 must claim the credit on the taxpayer's annual state tax return or
38 returns in the manner prescribed by the department of state
39 revenue. The taxpayer shall submit to the department of state
40 revenue all information that the department determines is
41 necessary for the calculation of the credit provided by this chapter
42 and for the determination of whether an expenditure was for a

C
O
P
Y

1 **qualified investment.**

2 SECTION 48. IC 6-6-5-10 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 10. (a) The
4 bureau shall establish procedures necessary for the collection of the tax
5 imposed by this chapter and for the proper accounting for the same.
6 The necessary forms and records shall be subject to approval by the
7 state board of accounts.

8 (b) The county treasurer upon receiving the excise tax collections
9 shall receipt such collections into a separate account for settlement
10 thereof at the same time as property taxes are accounted for and settled
11 in June and December of each year, with the right and duty of the
12 treasurer and auditor to make advances prior to the time of final
13 settlement of such property taxes in the same manner as provided in
14 IC 5-13-6-3.

15 (c) The county auditor shall determine the total amount of excise
16 taxes collected for each taxing unit in the county and the amount so
17 collected shall be apportioned and distributed among the respective
18 funds of each taxing unit in the same manner and at the same time as
19 property taxes are apportioned and distributed.

20 (d) Such determination shall be made from copies of vehicle
21 registration forms furnished by the bureau of motor vehicles. Prior to
22 such determination, the county ~~assessor~~ **auditor** of each county shall,
23 from copies of registration forms, cause information pertaining to legal
24 residence of persons owning taxable vehicles to be verified ~~from his~~
25 ~~records; to the extent such verification can be so made. He and~~ shall
26 further identify and verify ~~from his records~~ the several taxing units
27 within which such persons reside.

28 ~~(e) Such verifications shall be done by not later than thirty (30) days~~
29 ~~after receipt of vehicle registration forms by the county assessor; and~~
30 ~~the assessor shall certify such information to the county auditor for his~~
31 ~~use as soon as it is checked and completed.~~

32 SECTION 49. IC 20-5-7-6 IS ADDED TO THE INDIANA CODE
33 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
34 JANUARY 1, 1999]: **Sec. 6. The county auditor shall make**
35 **available to the treasurer, or the treasurer's designee, of each**
36 **school corporation in the county the tax duplicates held by the**
37 **county auditor and county treasurer.**

38 SECTION 50. IC 36-2-5-3 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 3. (a) The county
40 fiscal body shall fix the compensation of officers, deputies, and other
41 employees whose compensation is payable from the county general
42 fund, county highway fund, county health fund, county park and



C
O
P
Y

1 recreation fund, aviation fund, or any other fund from which the county
2 auditor issues warrants for compensation. This includes the power to:

- 3 (1) fix the number of officers, deputies, and other employees;
- 4 (2) describe and classify positions and services;
- 5 (3) adopt schedules of compensation; and
- 6 (4) hire or contract with persons to assist in the development of
7 schedules of compensation.

8 **(b) The county fiscal body shall fix the compensation of a county**
9 **assessor who has attained a level two certification under**
10 **IC 6-1.1-35.5 at an amount that is one thousand dollars (\$1,000)**
11 **more than the compensation of an assessor who has not attained a**
12 **level two certification.**

13 ~~(b)~~ (c) Notwithstanding subsection (a), the board of each local
14 health department shall prescribe the duties of all its officers and
15 employees, recommend the number of positions, describe and classify
16 positions and services, adopt schedules of compensation, and hire and
17 contract with persons to assist in the development of schedules of
18 compensation.

19 ~~(c)~~ (d) This section does not apply to community corrections
20 programs (as defined in IC 11-12-1-1 and IC 35-38-2.6-2).

21 SECTION 51. IC 36-2-7-13, AS AMENDED BY P.L.253-1997(ss),
22 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 1997 (RETROACTIVE)]: Sec. 13. The county fiscal body
24 may grant to the county assessor, in addition to the compensation fixed
25 under IC 36-2-5, a per diem for each day that the assessor is engaged
26 in general reassessment activities, **including service on the county**
27 **land valuation commission.** This section applies regardless of whether
28 professional assessing services are provided under a contract to one (1)
29 or more townships in the county.

30 SECTION 52. IC 36-4-10-5 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 5. (a) This section
32 applies to second class cities.

33 (b) The fiscal officer is the head of the city department of finance.
34 The fiscal officer shall do the following:

- 35 (1) Prescribe the form of reports and accounts to be submitted to
36 the department.
- 37 (2) Sign and issue all warrants on the city treasury.
- 38 (3) Audit and revise all accounts and trusts in which the city is
39 concerned.
- 40 (4) Keep separate accounts for each item of appropriation made
41 for each city department, including a statement showing the
42 amount drawn on each appropriation, the unpaid contracts



C
O
P
Y

- 1 charged against it, and the balance remaining.
- 2 (5) At the end of each fiscal year, submit under oath to the city
- 3 legislative body a report of the accounts of the city published in
- 4 pamphlet form and showing revenues, receipts, expenditures, and
- 5 the sources of revenues.
- 6 (6) Maintain custody of the records of the department and turn
- 7 them over to the fiscal officer's successor in office.
- 8 (7) Perform duties prescribed by statute concerning the
- 9 negotiation of city bonds, notes, and warrants.
- 10 (8) Keep a register of bonds of the city and of transfers of those
- 11 bonds.
- 12 (9) Manage the finances and accounts of the city and make
- 13 investments of city money, subject to the ordinances of the
- 14 legislative body.
- 15 (10) Issue city licenses on payment of the license fee.
- 16 (11) Collect fees as fixed by ordinance.
- 17 (12) Pay into the city treasury, once each week, all fees and other
- 18 city money collected by the department during the preceding
- 19 week, specifying the source of each item.
- 20 (13) Prescribe payroll and account forms for all city offices.
- 21 (14) Prescribe the manner in which salaries shall be drawn.
- 22 (15) Prescribe the manner in which creditors, officers, and
- 23 employees shall be paid.
- 24 (16) Provide that all salaries are payable monthly, unless the
- 25 legislative body establishes more frequent payments.
- 26 (17) Notify the city executive of the failure of any city officer to
- 27 collect money due the city or to pay city money into the city
- 28 treasury.
- 29 (18) Draw warrants on the city treasury for miscellaneous city
- 30 expenditures not made under the direction of a department and
- 31 not specifically fixed by statute.
- 32 **(19) Examine for proper form concerning city taxes the tax**
- 33 **duplicates held by the county auditor and county treasurer.**
- 34 **(20) Examine property tax assessments for proper form**
- 35 **concerning city taxes.**
- 36 SECTION 53. IC 36-6-8-5, AS AMENDED BY P.L.6-1997,
- 37 SECTION 207, IS AMENDED TO READ AS FOLLOWS
- 38 [EFFECTIVE JANUARY 1, 1999]: Sec. 5. (a) When performing the
- 39 real property reassessment duties prescribed by IC 6-1.1-4, an elected
- 40 township assessor may receive per diem compensation, in addition to
- 41 salary, at a rate fixed by the county fiscal body, for each day that he is
- 42 engaged in reassessment activities, **including service on the county**

COPY



1 **land valuation commission.**

2 (b) Subsection (a) applies regardless of whether professional
3 assessing services are provided to a township under contract.

4 SECTION 54. IC 36-7-13-1.6 IS ADDED TO THE INDIANA
5 CODE AS A NEW SECTION TO READ AS FOLLOWS
6 [EFFECTIVE JULY 1, 1998]: **Sec. 1.6. As used in this chapter,**
7 **"district" refers to a community revitalization enhancement**
8 **district designated under section 12 of this chapter.**

9 SECTION 55. IC 36-7-13-2.4 IS ADDED TO THE INDIANA
10 CODE AS A NEW SECTION TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 1998]: **Sec. 2.4. As used in this chapter,**
12 **"gross retail base period amount" means the aggregate amount of**
13 **state gross retail and use taxes remitted under IC 6-2.5 by the**
14 **businesses operating in the territory comprising a district during**
15 **the full state fiscal year that precedes the date on which an**
16 **advisory commission on industrial development adopted a**
17 **resolution designating the district.**

18 SECTION 56. IC 36-7-13-2.6 IS ADDED TO THE INDIANA
19 CODE AS A NEW SECTION TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 1998]: **Sec. 2.6. As used in this chapter,**
21 **"gross retail incremental amount" means the remainder of:**

22 (1) the aggregate amount of state gross retail and use taxes
23 that are remitted under IC 6-2.5 by businesses operating in a
24 district during a state fiscal year; minus

25 (2) the gross retail base period amount;
26 as determined by the department of state revenue under section 14
27 of this chapter.

28 SECTION 57. IC 36-7-13-3.2 IS ADDED TO THE INDIANA
29 CODE AS A NEW SECTION TO READ AS FOLLOWS
30 [EFFECTIVE JULY 1, 1998]: **Sec. 3.2. As used in this chapter,**
31 **"income tax base period amount" means the aggregate amount of**
32 **state and local income taxes paid by employees employed in the**
33 **territory comprising a district with respect to wages and salary**
34 **earned for work in the district for the state fiscal year that**
35 **precedes the date on which an advisory commission on industrial**
36 **development adopted a resolution designating the district.**

37 SECTION 58. IC 36-7-13-3.4 IS ADDED TO THE INDIANA
38 CODE AS A NEW SECTION TO READ AS FOLLOWS
39 [EFFECTIVE JULY 1, 1998]: **Sec. 3.4. As used in this chapter,**
40 **"income tax incremental amount" means the remainder of:**

41 (1) the aggregate amount of state and local income taxes paid
42 by employees employed in a district with respect to wages

C
O
P
Y



1 **earned for work in the district for a particular state fiscal**
 2 **year; minus**
 3 **(2) the income tax base period amount;**
 4 **as determined by the department of state revenue under section 14**
 5 **of this chapter.**

6 SECTION 59. IC 36-7-13-3.8 IS ADDED TO THE INDIANA
 7 CODE AS A NEW SECTION TO READ AS FOLLOWS
 8 [EFFECTIVE JULY 1, 1998]: **Sec. 3.8. As used in this chapter, "state**
 9 **and local income taxes" means taxes imposed under any of the**
 10 **following:**

- 11 **(1) IC 6-2.1 (the gross income tax).**
 12 **(2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax).**
 13 **(3) IC 6-3-8 (the supplemental corporate net income tax).**
 14 **(4) IC 6-3.5-1.1 (county adjusted gross income tax).**
 15 **(5) IC 6-3.5-6 (county option income tax).**
 16 **(6) IC 6-3.5-7 (county economic development income tax).**

17 SECTION 60. IC 36-7-13-4, AS AMENDED BY P.L.262-1993,
 18 SECTION 3 (CURRENT VERSION), IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 4. (a) To provide
 20 money for the purposes set forth in section 3 of this chapter, the unit
 21 shall create a special revolving fund to be known as the industrial
 22 development fund, into which any available and unappropriated money
 23 of the unit may be transferred by the unit's legislative body.

24 (b) The legislative body may also by ordinance levy a tax not to
 25 exceed five cents (\$0.05) on each one hundred dollars (\$100) of
 26 assessed value of all personal and real property within its jurisdiction.
 27 The proceeds of this tax shall be deposited in the industrial
 28 development fund. The unit may collect the tax as other municipal or
 29 county taxes are collected, or may set up a system for the collection and
 30 enforcement of the tax in the unit. **The proceeds of the tax may be**
 31 **used for any purpose authorized by this chapter and may be**
 32 **pledged for the payment of principal and interest on bonds or**
 33 **other obligation issued under this chapter.**

34 SECTION 61. IC 36-7-13-4, AS AMENDED BY P.L.6-1997,
 35 SECTION 208 (DELAYED VERSION), IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 4. (a) To provide
 37 money for the purposes set forth in section 3 of this chapter, the unit
 38 shall create a special revolving fund to be known as the industrial
 39 development fund, into which any available and unappropriated money
 40 of the unit may be transferred by the unit's legislative body.

41 (b) The legislative body may also by ordinance levy a tax not to
 42 exceed one and sixty-seven hundredths cents (\$0.0167) on each one



C
O
P
Y

1 hundred dollars (\$100) of assessed value of all personal and real
 2 property within its jurisdiction. The proceeds of this tax shall be
 3 deposited in the industrial development fund. The unit may collect the
 4 tax as other municipal or county taxes are collected, or may set up a
 5 system for the collection and enforcement of the tax in the unit. **The**
 6 **proceeds of the tax may be used for any purpose authorized by this**
 7 **chapter and may be pledged for the payment of principal and**
 8 **interest on bonds or other obligation issued under this chapter.**

9 SECTION 62. IC 36-7-13-5, AS AMENDED BY P.L.1-1994,
 10 SECTION 175, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JULY 1, 1998]: Sec. 5. (a) In order to coordinate the
 12 efforts of the unit and any private industrial development committee in
 13 the community, an advisory commission on industrial development
 14 shall be appointed by the unit's executive.

15 (b) **Except as provided in subsection (d),** the commission shall be
 16 composed of six (6) members, including at least one (1) representative
 17 of the unit's government, at least one (1) representative of the local
 18 industrial development committee, at least one (1) representative of a
 19 local banking institution, at least one (1) representative of a local utility
 20 company, and at least one (1) representative of organized labor from
 21 the building trades. A member of the commission may represent more
 22 than one (1) of the organizations enumerated.

23 (c) The unit's legislative body shall request the commission's
 24 recommendations. The legislative body may not conduct any business
 25 requiring expenditures from the industrial development fund or make
 26 any sale or lease of property acquired by the unit under this chapter
 27 without the approval, in writing, of a majority of the members of the
 28 commission.

29 (d) **In addition to the members described in subsection (b), if the**
 30 **executive of a unit has submitted a petition to a commission under**
 31 **section 10 of this chapter, the following persons are members of the**
 32 **commission:**

- 33 (1) **A member appointed by the governor.**
- 34 (2) **A member appointed by the lieutenant governor.**
- 35 (3) **A member appointed by the director of the department of**
 36 **workforce development.**

37 SECTION 63. IC 36-7-13-9 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. When the purposes
 39 for which the industrial development fund was established have been
 40 accomplished **and all districts designated by the unit have been**
 41 **terminated under section 19 of this chapter,** the balance remaining
 42 in that fund shall be transferred to the general fund of the unit and the



C
O
P
Y

1 authority for the levy of the tax provided by section 4 of this chapter
2 ceases.

3 SECTION 64. IC 36-7-13-10 IS ADDED TO THE INDIANA
4 CODE AS A NEW SECTION TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 1998]: **Sec. 10. (a) After approval by**
6 **ordinance or resolution of the legislative body of a municipality,**
7 **the executive of the municipality may submit an application to an**
8 **advisory commission on industrial development requesting that an**
9 **area within the municipality be designated as a district.**

10 **(b) After approval by ordinance or resolution of the legislative**
11 **body of a county, the executive of the county may submit an**
12 **application to an advisory commission on industrial development**
13 **requesting that an area within the county, but not within a**
14 **municipality, be designated as a district.**

15 SECTION 65. IC 36-7-13-11 IS ADDED TO THE INDIANA
16 CODE AS A NEW SECTION TO READ AS FOLLOWS
17 [EFFECTIVE JULY 1, 1998]: **Sec. 11. If a municipal or county**
18 **executive submits an application requesting an area to be**
19 **designated as a district under this chapter, the advisory**
20 **commission on industrial development shall do the following:**

21 **(1) Compile information necessary to make a determination**
22 **concerning whether the area meets the conditions necessary**
23 **for designation as a district.**

24 **(2) Prepare maps showing the boundaries of the proposed**
25 **district.**

26 **(3) Prepare a plan describing the ways in which the**
27 **development obstacles described in section 12(b)(3) of this**
28 **chapter in the proposed district will be addressed.**

29 SECTION 66. IC 36-7-13-12 IS ADDED TO THE INDIANA
30 CODE AS A NEW SECTION TO READ AS FOLLOWS
31 [EFFECTIVE JULY 1, 1998]: **Sec. 12. (a) If a municipal or county**
32 **executive has submitted an application to an advisory commission**
33 **on industrial development requesting that an area be designated as**
34 **a district under this chapter and the advisory commission has**
35 **compiled and prepared the information required under section 11**
36 **of this chapter concerning the area, the advisory commission may**
37 **adopt a resolution designating the area as a district if it makes the**
38 **findings described in subsection (b).**

39 **(b) An advisory commission may adopt a resolution designating**
40 **a particular area as a district only after finding all of the following:**

41 **(1) The area contains:**

42 **(A) a building or buildings with at least one million**

C
O
P
Y



- 1 **(1,000,000) square feet of usable interior floor space; or**
- 2 **(B) at least five hundred (500) and not more than seven**
- 3 **hundred fifty (750) acres of property zoned for industrial**
- 4 **use.**
- 5 **(2) At least one thousand (1,000) fewer persons are employed**
- 6 **in the area than were employed in the area during the year**
- 7 **that is ten (10) years previous to the current year.**
- 8 **(3) There are significant obstacles to redevelopment of the**
- 9 **area due to any of the following problems:**
- 10 **(A) Obsolete or inefficient buildings.**
- 11 **(B) Aging infrastructure or inefficient utility services.**
- 12 **(C) Utility relocation requirements.**
- 13 **(D) Transportation or access problems.**
- 14 **(E) Topographical obstacles to redevelopment.**
- 15 **(F) Environmental contamination.**
- 16 **(4) The unit has expended, appropriated, pooled, set aside, or**
- 17 **pledged at least one hundred thousand dollars (\$100,000) for**
- 18 **purposes of addressing the redevelopment obstacles described**
- 19 **in subdivision (3).**

20 **(c) The advisory commission shall designate the duration of the**
 21 **zone but the duration must not exceed fifteen (15) years (at the**
 22 **time of designation).**

23 SECTION 67. IC 36-7-13-13 IS ADDED TO THE INDIANA
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 1998]: **Sec. 13. (a) If an advisory commission**
 26 **on industrial development designates a district under section 12 of**
 27 **this chapter, the advisory commission shall send a certified copy of**
 28 **the resolution designating the district to the department of state**
 29 **revenue by certified mail.**

30 **(b) Not later than sixty (60) days after receiving a copy of the**
 31 **resolution designating a district, the department of state revenue**
 32 **shall determine the gross retail base period amount and the income**
 33 **tax base period amount.**

34 SECTION 68. IC 36-7-13-14 IS ADDED TO THE INDIANA
 35 CODE AS A NEW SECTION TO READ AS FOLLOWS
 36 [EFFECTIVE JULY 1, 1998]: **Sec. 14. Before the first business day**
 37 **in October of each year, the department shall calculate the income**
 38 **tax incremental amount and the gross retail incremental amount**
 39 **for the preceding state fiscal year for each district designated**
 40 **under this chapter.**

41 SECTION 69. IC 36-7-13-15 IS ADDED TO THE INDIANA
 42 CODE AS A NEW SECTION TO READ AS FOLLOWS



COPY

1 [EFFECTIVE JULY 1, 1998]: **Sec. 15. (a) If an advisory commission**
 2 **on industrial development designates a district under this chapter,**
 3 **the treasurer of state shall establish an incremental tax financing**
 4 **fund for the county. The fund shall be administered by the**
 5 **treasurer of state. Money in the fund does not revert to the state**
 6 **general fund at the end of a state fiscal year.**

7 (b) Before July 2 of each calendar year, the department of state
 8 revenue, after reviewing the recommendation of the budget agency,
 9 shall estimate and certify to the advisory commission on industrial
 10 development the amount of the income tax incremental amount
 11 and the gross retail incremental amount that will be collected from
 12 the district during the twelve (12) month period beginning July 1
 13 of that calendar year and ending June 30 of the following calendar
 14 year. The amount certified shall be deposited into the fund and
 15 shall be distributed on the dates specified in subsection (e) for the
 16 following calendar year. The amount certified may be adjusted
 17 under subsection (c) or (d).

18 (c) The department of state revenue may certify an amount that
 19 is greater than the estimated twelve (12) month income tax
 20 incremental amount collection and gross retail incremental amount
 21 collection if the department, after reviewing the recommendation
 22 of the budget agency, determines that there will be a greater
 23 amount of incremental income tax revenue or incremental gross
 24 retail tax revenue available for distribution from the fund.

25 (d) The department of state revenue may certify an amount less
 26 than the estimated twelve (12) month incremental amount
 27 collection and gross retail incremental amount collection if the
 28 department, after reviewing the recommendation of the budget
 29 agency, determines that a part of those collections needs to be
 30 distributed during the current calendar year so that the county will
 31 receive its full certified amount for the current calendar year.

32 (e) The auditor of state shall disburse a district's certified
 33 amount to the district's advisory commission on industrial
 34 development in equal semiannual installments on May 31 and
 35 November 30 of each year.

36 SECTION 70. IC 36-7-13-16 IS ADDED TO THE INDIANA
 37 CODE AS A NEW SECTION TO READ AS FOLLOWS
 38 [EFFECTIVE JULY 1, 1998]: **Sec. 16. (a) A unit may issue bonds or**
 39 **other obligations to finance the costs of addressing the**
 40 **development obstacles described in section 12(b)(3) of this chapter**
 41 **in the district.**

42 (b) The district bonds are special obligations of indebtedness of

C
O
P
Y



1 the district. The district bonds issued under this section, and
 2 interest on the district bonds, are payable solely out of amounts
 3 deposited in the industrial development fund under this chapter.

4 SECTION 71. IC 36-7-13-17 IS ADDED TO THE INDIANA
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 1998]: **Sec. 17. Money in the industrial**
 7 **development fund may be pledged by an advisory commission to**
 8 **the following purposes:**

9 (1) **To pay debt service on bonds or other obligations issued**
 10 **under this chapter.**

11 (2) **To establish and maintain a debt service reserve**
 12 **established by the advisory commission.**

13 SECTION 72. IC 36-7-13-18 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 1998]: **Sec. 18. (a) As used in this section,**
 16 **"developer" means a person that:**

17 (1) **proposes to enter into, or has entered into, a financing**
 18 **agreement with a unit for the development or redevelopment**
 19 **of a facility located in a district; and**

20 (2) **has entered into a separate agreement with some other**
 21 **person for the use or operation of the financed facility.**

22 (b) **A unit may establish goals or benchmarks concerning the**
 23 **development or redevelopment of property by a developer. The**
 24 **unit may provide that a developer that meets or exceeds the goals**
 25 **or benchmarks shall be paid a specified fee from the industrial**
 26 **development fund.**

27 SECTION 73. IC 36-7-13-19 IS ADDED TO THE INDIANA
 28 CODE AS A NEW SECTION TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 1998]: **Sec. 19. When the advisory**
 30 **commission determines that the purposes for which a district was**
 31 **established have been accomplished and that all bonds or other**
 32 **obligations issued under this chapter and all interest on those**
 33 **bonds or obligations have been fully paid, the advisory commission**
 34 **shall adopt a resolution terminating the district. If an advisory**
 35 **commission adopts a resolution under this section, the advisory**
 36 **commission shall send a certified copy of the resolution by certified**
 37 **mail to the department.**

38 SECTION 74. IC 36-7-13-20 IS ADDED TO THE INDIANA
 39 CODE AS A NEW SECTION TO READ AS FOLLOWS
 40 [EFFECTIVE JULY 1, 1998]: **Sec. 20. The general assembly**
 41 **covenants that this chapter will not be repealed or amended in a**
 42 **manner that will adversely affect the owner of bonds or other**



C
O
P
Y

1 **obligations issued under this chapter.**

2 SECTION 75. IC 6-1.1-12.1-5.8 IS REPEALED [EFFECTIVE
3 JANUARY 1, 1999].

4 SECTION 76. [EFFECTIVE JULY 1, 1998] **IC 6-1.1-10-42, as
5 added by this act, applies only to property taxes first due and
6 payable after December 31, 1998.**

7 SECTION 77. [EFFECTIVE JANUARY 1, 1997
8 (RETROACTIVE)]: (a) **This SECTION applies to a property owner
9 who:**

10 (1) **before January 1, 1997, received notice from a:**

11 (A) **city that is a consolidated city; or**

12 (B) **city having a population of more than forty-four
13 thousand six hundred (44,600) but less than forty-four
14 thousand seven hundred (44,700);**

15 **offering to provide property tax deductions to the property
16 owner under IC 6-1.1-12.1;**

17 (2) **has fulfilled all expectations of the city concerning job
18 creation or retention, capital investment, and other
19 requirements imposed by the city; and**

20 (3) **is not eligible for the property tax deductions described in
21 the agreement due to the failure of the property owner or the
22 city, or both, to comply with one (1) or more requirements of
23 IC 6-1.1-12.1.**

24 (b) **This subsection applies only to a city described in subsection
25 (a)(1)(A). Notwithstanding IC 6-1.1-12.1, the city may grant the
26 property tax deductions described in subsection (a) if, before July
27 1, 1998, both the property owner and the city complete all the
28 procedures required by IC 6-1.1-12.1 that would have been
29 necessary to grant the property tax deductions described in
30 subsection (a).**

31 (c) **This subsection applies only to a city described in subsection
32 (a)(1)(B). Notwithstanding IC 6-1.1-12.1, if a property owner has
33 received a notice from the city offering to provide a property tax
34 deduction, the county auditor shall make the appropriate
35 deduction described in subsection (a) if, before July 1, 1998:**

36 (1) **the property owner complies with all requirements of
37 IC 6-1.1-12.1 that would have been necessary to grant the
38 deduction described in subsection (a); and**

39 (2) **the mayor of the city consents to the granting of the
40 deduction.**

41 (d) **Property tax deductions granted under this SECTION apply
42 to property taxes first due and payable after December 31, 1996.**



C
O
P
Y

- 1 (e) **This SECTION expires July 2, 1998.**
- 2 SECTION 78. [EFFECTIVE JANUARY 1, 1998
- 3 (RETROACTIVE)]: **IC 6-1.1-10-16.5, as added by this act, applies**
- 4 **to property taxes first due and payable after December 31, 1998.**
- 5 SECTION 79. [EFFECTIVE JANUARY 1, 1999] **IC 6-1.1-15-1,**
- 6 **IC 6-1.1-15-4, IC 6-1.1-15-5, IC 6-1.1-15-9, IC 6-1.1-15-10,**
- 7 **IC 6-1.1-15-11, and IC 6-1.1-17-1, all as amended by this act, and**
- 8 **IC 6-1.1-15-10.5 and IC 6-1.1-17-2.5, both as added by this act,**
- 9 **apply to property taxes first due and payable after December 31,**
- 10 **1998.**
- 11 SECTION 80. [EFFECTIVE JULY 1, 1998] **IC 6-1.1-10-29, as**
- 12 **amended by this act, applies to property taxes first due and**
- 13 **payable after December 31, 1998.**
- 14 SECTION 81. [EFFECTIVE UPON PASSAGE] **The department**
- 15 **of commerce shall adopt the rules described in IC 6-1.1-43-5, as**
- 16 **added by this act, before January 1, 1999.**
- 17 SECTION 82. [EFFECTIVE JULY 1, 1998] (a) **The reductions set**
- 18 **forth in IC 6-1.1-12-19, as amended by this act, do not apply to**
- 19 **deductions that were first claimed before July 1, 1998. These**
- 20 **deductions remain at one hundred percent (100%) until they**
- 21 **expire.**
- 22 (b) **Notwithstanding IC 6-1.1-12-19, as amended by this act, if**
- 23 **a deduction is first claimed under IC 6-1.1-12-19, after June 30,**
- 24 **1998, and before July 1, 1999, the deduction is reduced as follows:**
- 25 (1) **One hundred percent (100%) of the original deduction for**
- 26 **the second year.**
- 27 (2) **Sixty percent (60%) of the original deduction for the third**
- 28 **year.**
- 29 (3) **Forty percent (40%) of the original deduction for the**
- 30 **fourth year.**
- 31 (4) **Twenty percent (20%) of the original deduction for the**
- 32 **fifth year.**
- 33 **In the sixth year, the county auditor shall add the amount of the**
- 34 **original deduction to the assessed value of the real property.**
- 35 (c) **Notwithstanding IC 6-1.1-12-19, as amended by this act, if a**
- 36 **deduction is first claimed under IC 6-1.1-12-19, after June 30,**
- 37 **1999, and before July 1, 2000, the deduction is reduced as follows:**
- 38 (1) **Eighty percent (80%) of the original deduction for the**
- 39 **second year.**
- 40 (2) **Sixty percent (60%) of the original deduction for the third**
- 41 **year.**
- 42 (3) **Forty percent (40%) of the original deduction for the**



1 **fourth year.**
2 **(4) Twenty percent (20%) of the original deduction for the**
3 **fifth year.**
4 **In the sixth year, the county auditor shall add the amount of the**
5 **original deduction to the assessed value of the real property.**
6 SECTION 83. [EFFECTIVE JANUARY 1, 1999] IC 6-3.1-19, as
7 added by this act, applies only to taxable years beginning after
8 December 31, 1998.
9 SECTION 84. An emergency is declared for this act.

C
o
p
y



SENATE MOTION

Mr. President: I move that Senator Landske be added as coauthor of Senate Bill 382.

MILLS

SENATE MOTION

Mr. President: I move that Senators Merritt and Howard be added as coauthors of Senate Bill 382.

MILLS

C
o
p
y



COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill 382, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, line 27, after "computers" insert "**and computer software**".

Page 3, line 30, delete ":".

Page 3, line 31, delete "(i)".

Page 3, run in lines 30 and 31.

Page 3, line 35, after "products;" insert "**and**".

Page 3, delete lines 36 through 40.

Page 27, delete lines 6 through 28.

and when so amended that said bill do pass.

(Reference is to Senate Bill 382 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 13, Nays 0.

C
O
P
Y



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 382, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-4-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 12. If land assessed on an acreage basis is subdivided into lots, the land shall be reassessed on the basis of lots. If land is rezoned for, or put to, a different use, the land shall be reassessed on the basis of its new classification **to determine the new true tax value.** If improvements are added to real property, the improvements shall be assessed. An assessment or reassessment made under this section is effective on the next assessment date. However, if land assessed on an acreage basis is subdivided into lots, the lots may not be reassessed until the next assessment date following a transaction which results in a change in legal or equitable title to that lot. No petition to the state board of tax commissioners is necessary with respect to an assessment or reassessment made under this section.

SECTION 2. IC 6-1.1-4-13.6, AS AMENDED BY P.L.6-1997, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1997 (RETROACTIVE)]: Sec. 13.6. (a) **A county land valuation commission (referred to in this section as the "commission") is established in each county for the purpose of determining the value of commercial, industrial, and residential land (including farm homesites) in the county.**

(b) **The county assessor is chairperson of the commission.**

(c) **The members of the commission are as follows:**

(1) **The county assessor.**

(2) **One (1) township assessor from the county, to be appointed by the county executive (as defined in IC 36-1-2-5).**

(3) **One (1) township assessor from the county, to be appointed by all of the township assessors in the county by majority vote. In case of a tie vote, the county assessor shall cast a vote to break that tie.**

(4) **One (1) county resident who:**

(A) **holds a license under IC 25-34.1-3 as a salesperson or broker; and**

(B) **is appointed by the county executive (as defined in IC 36-1-2-5).**

ES 382—LS 7160/DI 73+



C
O
P
Y

(5) Four (4) individuals who:

(A) are appointed by the county fiscal body (as defined in IC 36-1-2-6); and

(B) each represent one (1) of the following four (4) types of land in the county:

(i) Agricultural.

(ii) Commercial.

(iii) Industrial.

(iv) Residential.

(6) One (1) individual who:

(A) is appointed by the county executive (as defined in IC 36-1-2-5); and

(B) represents financial institutions in the county.

(d) The term of each member of the commission begins November 1, two (2) years before the commencement of the general reassessment under IC 6-1.1-4-4, and ends January 1 of the year the general reassessment commences under IC 6-1.1-4-4. The appointing authority may fill any vacancy for the remainder of the vacated term.

~~(a)~~ **(e) The township assessor commission shall determine the values of all classes of commercial, industrial, and residential land (including farm homesites) in the township county using guidelines determined by the state board of tax commissioners. Not later than November 1 of the year preceding the year in which a general reassessment becomes effective, the assessor commences. The commission determining the values of land shall submit the values, all data supporting the values, and all information required under rules of the state board of tax commissioners relating to the determination of land values to the county property tax assessment board of appeals. Not later than December 1 of the year preceding the year in which a general reassessment becomes effective, commences, the county property tax assessment board of appeals shall hold a public hearing in the county concerning those values. The property tax assessment board of appeals shall give notice of the hearing in accordance with IC 5-3-1 and shall hold the hearing after March 31 and before December January 1 of the year preceding the year in which the general reassessment under IC 6-1.1-4-4 becomes effective: commences.**

~~(b)~~ **(f) The county property tax assessment board of appeals shall review the values, data, and information submitted under subsection (a) (e) and may make any modifications it considers necessary to provide uniformity and equality. The county property tax assessment**



C
O
P
Y

board of appeals shall coordinate the valuation of property adjacent to the boundaries of the county with the county property tax assessment boards of appeals of the adjacent counties using the procedures adopted by rule under IC 4-22-2 by the state board of tax commissioners. If the ~~county assessor or township assessor~~ **commission** fails to submit land values under subsection ~~(a)~~ (e) to the county property tax assessment board of appeals before ~~November~~ **January** 1 of the year ~~before the date~~ the general reassessment under IC 6-1.1-4-4 ~~becomes effective;~~ **commences**, the county property tax assessment board of appeals shall determine the values. ~~If the county property tax assessment board of appeals fails to determine the values before the general reassessment becomes effective;~~ the state board of tax commissioners shall determine the values.

(g) **The county property tax assessment board of appeals shall give notice to the county and township assessors of its decision on the values. The notice must be given before March 1 of the year the general reassessment under IC 6-1.1-4-4 commences. Within twenty (20) days after that notice, the county assessor or a township assessor in the county may request that the county property tax assessment board of appeals reconsider the values. The county property tax assessment board of appeals shall hold a hearing on the reconsideration in the county. The county property tax assessment board of appeals shall give notice of the hearing under IC 5-3-1.**

(h) **A taxpayer may appeal the value determined under this section as applied to the taxpayer's land as part of an appeal filed under IC 6-1.1-15-1. If a taxpayer that files an appeal under IC 6-1.1-15 requests the values, data, or information received by the county property tax assessment board of appeals under subsection (e), the county property tax assessment board of appeals shall satisfy the request. The state board of tax commissioners may modify the taxpayer's land value and the value of any other land in the township, county where the taxpayer's land is located, or the adjacent county if the state board of tax commissioners determines it is necessary to provide uniformity and equality.**

~~(e)~~ (i) **The county assessor shall notify all township assessors in the county of the values as modified by the county property tax assessment board of appeals: determined by the commission and as modified by the county property tax assessment board of appeals or state board under this section. Township assessors shall use the values determined under this section.**

SECTION 3. IC 6-1.1-4-28, AS AMENDED BY P.L.6-1997,

ES 382—LS 7160/DI 73+



C
O
P
Y

SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 28. (a) Money assigned to a property reassessment fund under section 27 of this chapter may be used only to pay the costs of:

- (1) the general reassessment of real property, including the computerization of assessment records;
- (2) payments to county assessors, members of property tax assessment boards of appeals, or assessing officials under IC 6-1.1-35.2;
- (3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;
- (4) the updating of plat books; and
- (5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist county assessors, members of a county property tax assessment board of appeals, and assessing officials.

(b) All counties shall use modern, detailed soil maps in the general reassessment of agricultural land.

(c) The county treasurer of each county shall, in accordance with IC 5-13-9, invest any money accumulated in the property reassessment fund until the money is needed to pay general reassessment expenses. Any interest received from investment of the money shall be paid into the property reassessment fund.

(d) An appropriation under this section ~~must~~ **may not** be approved by the fiscal body of the county ~~after the review and until after the fiscal body considers the~~ recommendation of the county assessor. However, in a county with an elected township assessor under ~~IC 36-6-5-11~~ **IC 36-6-5-1** in every township, only the fiscal body must approve an appropriation under this section. **A request for an appropriation under this section must be submitted to the county assessor at the same time the request is submitted to the fiscal body.**

SECTION 4. IC 6-1.1-5.5-3, AS AMENDED BY P.L.6-1997, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 3. (a) Before filing a conveyance document with the county auditor under IC 6-1.1-5-4, all the parties to the conveyance must complete and sign a sales disclosure form as prescribed by the state board of tax commissioners under section 5 of this chapter. All the parties may sign one (1) form, or if all the parties do not agree on the information to be included on the completed form, each party may sign and file a separate form.

ES 382—LS 7160/DI 73+



C
O
P
Y

(b) Except as provided in subsection (c), the auditor shall forward each sales disclosure form to the county assessor. The county assessor shall forward the sales disclosure form to the state board of tax commissioners and, **upon request**, to the appropriate township assessor. The county assessor shall retain a copy of the sales disclosure form for the purposes established in IC 6-1.1-4-13.6. ~~and shall forward a copy to the township assessors in the county:~~

~~(c) In a county containing a consolidated city, the auditor shall forward the sales disclosure form to the appropriate township assessor. The township assessor shall forward the sales disclosure form to the state board of tax commissioners. The township assessor may retain a copy of the sales disclosure form for the purposes established in IC 6-1.1-4-13.6.~~

SECTION 5. IC 6-1.1-10-16, AS AMENDED BY P.L.6-1997, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 16. (a) All or part of a building is exempt from property taxation if it is owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes.

(b) A building is exempt from property taxation if it is owned, occupied, and used by a town, city, township, or county for educational, literary, scientific, fraternal, or charitable purposes.

(c) A tract of land, including the campus and athletic grounds of an educational institution, is exempt from property taxation if:

(1) a building which is exempt under subsection (a) or (b) is situated on it; and

(2) the tract does not exceed:

(A) fifty (50) acres in the case of:

(i) an educational institution; or

(ii) a tract that was exempt under this subsection on March 1, 1987; or

(B) fifteen (15) acres in all other cases.

(d) A tract of land is exempt from property taxation if:

(1) it is purchased for the purpose of erecting a building which is to be owned, occupied, and used in such a manner that the building will be exempt under subsection (a) or (b);

(2) the tract does not exceed:

(A) fifty (50) acres in the case of:

(i) an educational institution; or

(ii) a tract that was exempt under this subsection on March 1, 1987; or

(B) fifteen (15) acres in all other cases; and

(3) not more than three (3) years after the property is purchased,

C
O
P
Y



and for each year after the three (3) year period, the owner demonstrates substantial progress towards the erection of the intended building and use of the tract for the exempt purpose. To establish that substantial progress is being made, the owner must prove the existence of factors such as the following:

(A) Organization of and activity by a building committee or other oversight group.

(B) Completion and filing of building plans with the appropriate local government authority.

(C) Cash reserves dedicated to the project of a sufficient amount to lead a reasonable individual to believe the actual construction can and will begin within three (3) years.

(D) The breaking of ground and the beginning of actual construction.

(E) Any other factor that would lead a reasonable individual to believe that construction of the building is an active plan and that the building is capable of being completed within six (6) years considering the circumstances of the owner.

(e) Personal property is exempt from property taxation if it is owned and used in such a manner that it would be exempt under subsection (a) or (b) if it were a building.

(f) A hospital's property which is exempt from property taxation under subsection (a), (b), or (e) shall remain exempt from property taxation even if the property is used in part to furnish goods or services to another hospital whose property qualifies for exemption under this section.

(g) Property owned by a shared hospital services organization which is exempt from federal income taxation under Section 501(c)(3) or 501(e) of the Internal Revenue Code is exempt from property taxation if it is owned, occupied, and used exclusively to furnish goods or services to a hospital whose property is exempt from property taxation under subsection (a), (b), or (e).

(h) This section does not exempt from property tax an office or a practice of a physician or group of physicians that is owned by a hospital licensed under IC 16-21-1 or other property that is not substantially related to or supportive of the inpatient facility of the hospital unless the office, practice, or other property:

(1) provides or supports the provision of charity care (as defined in IC 16-18-2-52.5), including providing funds or other financial support for health care services for individuals who are indigent (as defined in IC 16-18-2-52.5(b) and ~~IC 16-8-2-52.5(c)~~; **IC 16-18-2-52.5(c)**); or



C
O
P
Y

(2) provides or supports the provision of community benefits (as defined in IC 16-21-9-1), including research, education, or government sponsored indigent health care (as defined in IC 16-21-9-2).

However, participation in the Medicaid or Medicare program alone does not entitle an office, practice, or other property described in this subsection to an exemption under this section.

(i) A tract of land or a tract of land plus all or part of a structure on the land is exempt from property taxation if:

(1) the tract is acquired for the purpose of erecting, renovating, or improving a single family residential structure that is to be given away or sold:

(A) in a charitable manner;

(B) by a nonprofit organization; and

(C) to low income individuals who will:

(i) use the land as a family residence; and

(ii) not have an exemption for the land under this section;

(2) the tract does not exceed three (3) acres;

(3) the tract of land or the tract of land plus all or part of a structure on the land is not used for profit while exempt under this section; and

(4) not more than three (3) years after the property is acquired for the purpose described in subdivision (1), and for each year after the three (3) year period, the owner demonstrates substantial progress towards the erection, renovation, or improvement of the intended structure. To establish that substantial progress is being made, the owner must prove the existence of factors such as the following:

(A) Organization of and activity by a building committee or other oversight group.

(B) Completion and filing of building plans with the appropriate local government authority.

(C) Cash reserves dedicated to the project of a sufficient amount to lead a reasonable individual to believe the actual construction can and will begin within six (6) years of the initial exemption received under this subsection.

(D) The breaking of ground and the beginning of actual construction.

(E) Any other factor that would lead a reasonable individual to believe that construction of the structure is an active plan and that the structure is capable of being:

(i) completed; and

C
O
P
Y



(ii) transferred to a low income individual who does not receive an exemption under this section; within six (6) years considering the circumstances of the owner.

(j) An exemption under subsection (i) terminates when the property is conveyed by the nonprofit organization to another owner. When the property is conveyed to another owner, the nonprofit organization receiving the exemption must file a certified statement with the **auditor assessor** of the county, notifying the **auditor assessor** of the change not later than sixty (60) days after the date of the conveyance. **The county assessor shall forward a copy of the certified statement to the county auditor.** A nonprofit organization that fails to file the statement required by this subsection is liable for the amount of property taxes due on the property conveyed if it were not for the exemption allowed under this chapter.

(k) If property is granted an exemption in any year under subsection (i) and the owner:

- (1) ceases to be eligible for the exemption under subsection (i)(4);
- (2) fails to transfer the tangible property within six (6) years after the assessment date for which the exemption is initially granted; or
- (3) transfers the tangible property to a person who:
 - (A) is not a low income individual; or
 - (B) does not use the transferred property as a residence for at least one (1) year after the property is transferred;

the person receiving the exemption shall notify the county recorder and the county **auditor assessor** of the county in which the property is located not later than sixty (60) days after the event described in subdivision (1), (2), or (3) occurs. **The county assessor shall inform the county auditor of a notification received under this subsection.**

(l) If subsection (k)(1), (k)(2), or (k)(3) applies, the owner shall pay, not later than the date that the next installment of property taxes is due, an amount equal to the sum of the following:

- (1) The total property taxes that, if it were not for the exemption under subsection (i), would have been levied on the property in each year in which an exemption was allowed.
- (2) Interest on the property taxes at the rate of ten percent (10%) per year.

(m) The liability imposed by subsection (l) is a lien upon the property receiving the exemption under subsection (i). An amount collected under subsection (l) shall be collected as an excess levy. If the amount is not paid, it shall be collected in the same manner that

C
O
P
Y



delinquent taxes on real property are collected.

SECTION 6. IC 6-1.1-10-16.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: **Sec. 16.5. (a) A tract of real property owned by a nonprofit public benefit corporation (as defined in IC 23-17-2-23) is exempt from property taxation if all of the following apply:**

- (1) **The tract is located:**
 - (A) **under a lake or reservoir; or**
 - (B) **adjacent to a lake or reservoir.**
- (2) **The lake or reservoir under which or adjacent to which the tract is located was formed by a dam or control structure owned and operated by a public utility for the generation of hydroelectric power.**
- (3) **The public benefit corporation that owns the tract is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and has maintained its tax exempt status for the previous three (3) years.**
- (4) **The public benefit corporation that owns the tract is primarily engaged in active efforts to protect and enhance the environment and water quality of the lake or reservoir under which or adjacent to which the tract is located in order to facilitate the public recreational use of the lake or reservoir.**

(b) A tract of real property owned by a nonprofit public benefit corporation described in subsection (a) is exempt from property taxation if the tract is used by the public benefit corporation in the public benefit corporation's efforts to enhance the environment and water quality of a lake or reservoir described in subsection (a).

SECTION 7 IC 6-1.1-10-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: **Sec. 21. (a) The following tangible property is exempt from property taxation if it is owned by, or held in trust for the use of, a church or religious society:**

- (1) **A building which is used for religious worship.**
- (2) **Buildings that are used as parsonages.**
- (3) **The pews and furniture contained within a building which is used for religious worship.**
- (4) **The tract of land, not exceeding fifteen (15) acres, upon which a building described in this section is situated.**

(b) To obtain an exemption for parsonages, a church or religious society must provide the county auditor assessor with an affidavit at the time the church or religious society applies for the exemptions. The affidavit must state that:



C
O
P
Y

(1) all parsonages are being used to house one (1) of the church's or religious society's rabbis, priests, preachers, ministers, or pastors; and

(2) none of the parsonages are being used to make a profit.

The affidavit shall be signed under oath by the church's or religious society's head rabbi, priest, preacher, minister, or pastor. **The county assessor shall forward a copy of the affidavit to the county auditor.**

SECTION 8. IC 6-1.1-10-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 25. (a) Subject to the limitations contained in subsection (b), ~~of this section~~, tangible property is exempt from property taxation if it is owned by any of the following organizations:

- (1) The Young Men's Christian Association.
- (2) The Salvation Army, Inc.
- (3) The Knights of Columbus.
- (4) The Young Men's Hebrew Association.
- (5) The Young Women's Christian Association.
- (6) A chapter or post of Disabled American Veterans of World War I or II.
- (7) A chapter or post of the Veterans of Foreign Wars.
- (8) A post of the American Legion.
- (9) A post of the American War Veterans.
- (10) A camp of United States Spanish War Veterans.
- (11) The Boy Scouts of America, one (1) or more of its incorporated local councils, or a bank or trust company in trust for the benefit of one (1) or more of its local councils.
- (12) The Girl Scouts of the U.S.A., one (1) or more of its incorporated local councils, or a bank or trust company in trust for the benefit of one (1) or more of its local councils.
- (13) A nonprofit public radio station.**
- (14) A nonprofit public television station.**
- (15) Southern Indiana Higher Education, Inc.**
- (16) A 4-H organization.**

(b) This exemption does not apply unless the property is exclusively used, and in the case of real property actually occupied, for the purposes and objectives of the organization.

SECTION 9. IC 6-1.1-10-29, AS AMENDED BY P.L.46-1996, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 29. (a) As used in this section, "manufacturer" or "processor" means a person that performs an operation or continuous series of operations on raw materials, goods, or other personal property to alter the raw materials, goods, or other personal property into a new



C
O
P
Y

or changed state or form. The operation may be performed by hand, machinery, or a chemical process directed or controlled by an individual. The terms include a person that:

- (1) dries or prepares grain for storage or delivery; or
- (2) publishes books or other printed materials.

(b) Personal property owned by a manufacturer or processor is exempt from property taxation if the owner is able to show by adequate records that the property:

- (1) is stored and remains in its original package in an in-state warehouse for the purpose of shipment, without further processing, to an out-of-state destination; or
- (2) consists of books or other printed materials that are stored at an in-state commercial printer's facility for the purpose of shipment, without further processing, to an out-of-state destination.

(c) Personal property that is manufactured in Indiana and that would be exempt under subsection (b), except that it is not stored in its original package, is exempt from property taxation if the owner can establish in accordance with exempt inventory procedures, regulations, and rules of the state board of tax commissioners that:

- (1) the property ~~(†)~~ is ready for shipment without additional manufacturing or processing, except for packaging; and

(2) **either:**

(A) the property will be damaged or have its value impaired if it is stored in its original package; or

(B) the final packaging of finished inventory items is not practical until receipt of a final customer order because fulfillment of the customer order requires the accumulation of a number of distinct finished inventory items into a single shipping package.

SECTION 10. IC 6-1.1-10-42 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: **Sec. 42. (a) A corporation that:**

- (1) is nonprofit; and**
- (2) participates in the small business incubator program under IC 4-4-18;**

is exempt from property taxation to the extent of tangible property used for small business incubation.

(b) A corporation that wishes to obtain an exemption from property taxation under this section must file an exemption application annually under IC 6-1.1-11.

SECTION 11. IC 6-1.1-11-3, AS AMENDED BY P.L.6-1997,



C
O
P
Y

SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 3. (a) ~~The~~ **An** owner of tangible property who wishes to obtain an exemption from property taxation **and a nonprofit corporation seeking an exemption under IC 6-1.1-10-42** shall **each** file a certified application in duplicate with the ~~auditor~~ **assessor** of the county in which the property **that is the subject of the exemption** is located. The application must be filed annually on or before May 15 on forms prescribed by the state board of tax commissioners. **The county assessor shall forward a copy of the certified application to the county auditor.** Except as provided in sections 1, 3.5, and 4 of this chapter, the application applies only for the taxes imposed for the year for which the application is filed.

(b) The authority for signing an exemption application may not be delegated by the owner of the property to any other person except by an executed power of attorney.

(c) An exemption application which is required under this chapter shall contain the following information:

- (1) A description of the property claimed to be exempt in sufficient detail to afford identification.
- (2) A statement showing the ownership, possession, and use of the property.
- (3) The grounds for claiming the exemption.
- (4) The full name and address of the applicant.
- (5) Any additional information which the state board of tax commissioners may require.

SECTION 12. IC 6-1.1-11-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 3.5. (a) A not-for-profit corporation, **except for a nonprofit corporation seeking an exemption under IC 6-1.1-10-42**, that seeks an exemption provided by IC 6-1.1-10 for 1988 or for a year that follows 1988 by a multiple of four (4) years must file an application for the exemption in that year. However, if a not-for-profit corporation seeks an exemption provided by IC 6-1.1-10 for a year not specified in this subsection and the corporation did not receive the exemption for the preceding year, the corporation must file an application for the exemption in the year for which the exemption is sought. The not-for-profit corporation must file each exemption application in the manner (other than the requirement for filing annually) prescribed in section 3 of this chapter.

(b) A not-for-profit corporation that receives an exemption provided under IC 6-1.1-10 for a particular year that remains eligible for the exemption for the following year is only required to file a statement to apply for the exemption in the years specified in subsection (a), if the



C
O
P
Y

use of the not-for-profit corporation's property remains unchanged.

(c) A not-for-profit corporation that receives an exemption provided under IC 6-1.1-10 for a particular year which becomes ineligible for the exemption for the following year shall notify the **auditor assessor** of the county in which the tangible property for which it claims the exemption is located of its ineligibility on or before May 15 of the year for which it becomes ineligible. **The county assessor shall notify the county auditor of the not-for-profit corporation's ineligibility for the exemption.**

(d) For each year that is not a year specified in subsection (a), the auditor of each county shall apply an exemption provided under IC 6-1.1-10 to the tangible property owned by a not-for-profit corporation that received the exemption in the preceding year unless the **auditor county property tax assessment board of appeals** determines that the not-for-profit corporation is no longer eligible for the exemption.

(e) The state board of tax commissioners may at any time review an exemption provided under this section and determine whether or not the not-for-profit corporation is eligible for the exemption.

SECTION 13. IC 6-1.1-11-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 10. Each county **auditor assessor** shall, on behalf of the county, collect a fee of two dollars (\$2) for each exemption application filed with him under this chapter. Each fee shall be accounted for and paid into the county general fund at the close of each month in the same manner as are other fees due the county. No other fee may be charged by a county ~~auditor,~~ **assessor**, or his employees, for filing or preparing an exemption application.

SECTION 14. IC 6-1.1-12-18, AS AMENDED BY P.L.6-1997, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 18. (a) If the assessed value of residential real property described in subsection (d) of this section is increased because it has been rehabilitated, the owner may have deducted from the assessed value of the property an amount not to exceed the lesser of:

- (1) the total increase in assessed value resulting from the rehabilitation; or
- (2) nine thousand dollars (\$9,000) per rehabilitated dwelling unit.

The owner is entitled to this deduction annually for a five (5) year period.

(b) For purposes of this section, the term "rehabilitation" means **significant** repairs, replacements, or improvements **to an existing structure** which are intended to increase the livability, utility, safety,



C
O
P
Y

or value of the property and which do not increase the total amount of floor space devoted to residential purposes unless the increase in floor space is required in order to make the building comply with a local housing code or zoning ordinance: **under rules adopted by the state board of tax commissioners.**

(c) For the purposes of this section, the term "owner" or "property owner" includes any person who has the legal obligation, or has otherwise assumed the obligation, to pay the real property taxes on the rehabilitated property.

(d) The deduction provided by this section applies only for the rehabilitation of residential real property which is located within this state and which is described in one (1) of the following classifications:

- (1) a single family dwelling if before rehabilitation the assessed value (excluding any exemptions or deductions) of the improvements does not exceed eighteen thousand dollars (\$18,000);
- (2) a two (2) family dwelling if before rehabilitation the assessed value (excluding exemptions or deductions) of the improvements does not exceed twenty-four thousand dollars (\$24,000); and
- (3) a dwelling with more than two (2) family units if before rehabilitation the assessed value (excluding any exemptions or deductions) of the improvements does not exceed nine thousand dollars (\$9,000) per dwelling unit.

SECTION 15. IC 6-1.1-12-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 19. The deduction from assessed value provided by section 18 of this chapter is first available in the year in which the increase in assessed value resulting from the rehabilitation occurs and shall continue for the following four (4) years. **However, the deduction is reduced to be the following:**

- (1) **Eighty percent (80%) of the original deduction for the second year.**
- (2) **Sixty percent (60%) of the original deduction for the third year.**
- (3) **Forty percent (40%) of the original deduction for the fourth year.**
- (4) **Twenty percent (20%) of the original deduction for the fifth year.**

In the sixth (~~6th~~) year, the county auditor shall add the amount of the **original** deduction to the assessed value of the real property. A general reassessment of real property which occurs within the five (5) year period of the deduction does not affect the amount of the deduction.

SECTION 16. IC 6-1.1-12-22, AS AMENDED BY P.L.6-1997,



C
O
P
Y

SECTION 54, AND P.L.54-1997, SECTION 1, IS CORRECTED AND IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 22. (a) If the assessed value of property is increased because it has been rehabilitated *and the owner has paid at least ten thousand dollars (\$10,000) for the rehabilitation*, the owner is entitled to have deducted from the assessed value of the property an amount equal to fifty percent (50%) of the increase in assessed value resulting from the rehabilitation. The owner is entitled to this deduction annually for a five (5) year period **in the amount specified in subsection (b)**. However, the maximum deduction which a property owner may receive under this section for a particular year is:

(1) ~~twenty fifteen~~ **sixty** thousand dollars ~~(\$20,000) (\$15,000)~~ **(\$60,000)** for a single family dwelling unit; or

(2) ~~one hundred seventy-five~~ **three hundred** thousand dollars ~~(\$100,000) (\$75,000)~~ **(\$300,000)** for any other type of property.

(b) The deduction under subsection (a) is as follows:

(1) Eighty percent (80%) of the original deduction for the second year.

(2) Sixty percent (60%) of the original deduction for the third year.

(3) Forty percent (40%) of the original deduction for the fourth year.

(4) Twenty percent (20%) of the original deduction for the fifth year.

~~(b)~~ (c) For purposes of this section, the term "property" means a building or structure which was erected at least ~~fifty (50) ten (10)~~ years before the date of application for the deduction provided by this section. The term "property" does not include land.

~~(c)~~ (d) For purposes of this section the term "rehabilitation" means the remodeling, repair, or betterment of property in any manner or any enlargement or extension of property. However, The enlargement or extension of the enclosed floor area of property shall, for computation of the deduction, be limited within a five (5) year period to a total additional enclosed floor area equal to the size of the enclosed floor area of the property on the date of completion of the first extension or enlargement completed after March 1, 1973. **significant repairs, replacements, or improvements to an existing structure that are intended to increase the livability, utility, safety, or value of the property under rules adopted by the state board of tax commissioners."**

Page 3, line 2, after "means" insert ":".

Page 3, line 2, strike "either:".



C
O
P
Y

- Page 3, line 3, strike "(A)".
- Page 3, run in lines 2 and 3.
- Page 3, line 5, delete ";" and insert "."
- Page 3, line 5, strike "or".
- Page 3, strike lines 6 through 8.
- Page 3, after line 42, begin a new line block indented and insert:
"(13) "Schedule" means the schedule filed in accordance with section 5.5 of this chapter by a person who desires to obtain the deduction provided by section 4.5 of this chapter."
- Page 4, line 13, after "chapter" delete ".".
- Page 4, line 14, reset in roman "and the deduction is allowed for five (5) years."
- Page 4, line 14, after "for" insert "**not more than**".
- Page 19, line 40, after "certified deduction application" insert "**or schedule**".
- Page 22, line 17, strike "certified".
- Page 22, line 18, strike "deduction application" and insert "**schedule**".
- Page 22, line 19, after "commissioners" insert ",".
- Page 22, line 19, after "with" insert "**the person's personal property return with the township assessor. The township assessor shall forward the personal property return and schedule to:**".
- Page 22, line 22, strike "and".
- Page 22, line 23, delete "." and insert "; **and**".
- Page 22, between lines 23 and 24, begin a new line block indented and insert:
"(3) the designating body."
- Page 22, strike lines 24 through 25.
- Page 22, line 26, delete "or new research and development equipment, or both,".
- Page 22, line 26, strike "is installed".
- Page 22, strikes lines 27 through 28.
- Page 22, line 29, strike "in which the new manufacturing equipment".
- Page 22, line 29, delete "or new research and ".
- Page 22, line 30, delete " development equipment, or both,".
- Page 22, line 30, strike "is installed must file the application".
- Page 22, strike "between March 1 and June 14 of that year" and insert "**The designating body shall determine if all persons qualifying for the deduction provided by section 4.5 of this chapter have filed the required schedule. Before June 20 each year, the designating body shall notify each person that qualifies but failed**



to file the required schedule. A person failing to file the required schedule at the time of filing the personal property return must file the schedule with the appropriate township assessor and the designating body before July 15 each year. Before August 1 each year, the designating body shall compile and send to the county auditor a list of all persons eligible for the deduction and a statement whether the person filed the schedule required by this section."

Page 22, line 32, strike "deduction application" and insert "schedule".

Page 22, between lines 41 and 42, begin a new line block indented and insert:

"(5) The compliance statement required by section 5.6 of this chapter.

(6) Any other information required by the state board of tax commissioners."

Page 22, line 42, strike "deduction application" and insert "schedule".

Page 23, line 7, strike "deduction application" and insert "schedule".

Page 23, line 9, strike "deduction application" and insert "schedule".

Page 23, line 15, strike "deduction application" and insert "schedule".

Page 23, line 17, strike "deduction application" and insert "schedule".

Page 23, line 18, after "the" strike "deduction".

Page 23, line 19, strike "application" and insert "schedule".

Page 24, line 7, strike "deduction application" and insert "schedule".

Page 24, line 12, strike "application" and insert ".".

Page 24, line 16, strike "deduction application" and insert "schedule".

Page 25, delete lines 9 through 21.

Page 25, line 27, strike "deduction applications" and insert "deductions".

Page 26, line 32, before "statement" insert "completed".

Page 26, line 34, strike "waive noncompliance" and insert "**extend the date for compliance for a failure**".

Page 26, after line 37, begin a new paragraph and insert:

"SECTION 13. IC 6-1.1-15-1, AS AMENDED BY P.L.6-1997, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 1. (a) A taxpayer may obtain a review by the county property tax assessment board of appeals of a county or township official's action with respect to the assessment of the



C
O
P
Y

taxpayer's tangible property if the official's action requires the giving of notice to the taxpayer. At the time that notice is given to the taxpayer, he shall also be informed in writing of:

- (1) his opportunity for review under this section; and
- (2) the procedures he must follow in order to obtain review under this section.

(b) In order to appeal a current assessment and have a change in the assessment effective for the most recent assessment date, the taxpayer must file a petition with the assessor of the county in which the action is taken:

- (1) within forty-five (45) days after notice of a change in the assessment is given to the taxpayer; or
- (2) May 10 of that year;

whichever is later. The county assessor shall notify the county auditor **and the state board of tax commissioners** that the assessment is under appeal. **In addition, the notice shall be sent to each affected taxing unit when the appealed items constitute at least one percent (1%) of the taxing unit's total gross certified assessed value for the immediately preceding year. The notice must include the appellant's name, address, and the assessed value for the assessment date the year before the appeal and the assessed value on the most recent assessment date.**

- (c) A change in an assessment made as a result of an appeal filed:
- (1) in the same year that notice of a change in the assessment is given to the taxpayer; and
 - (2) after the time prescribed in subsection (b);

becomes effective for the next assessment date.

(d) A taxpayer may appeal a current real estate assessment in a year even if the taxpayer has not received a notice of assessment in the year. If an appeal is filed on or before May 10 of a year in which the taxpayer has not received notice of assessment, a change in the assessment resulting from the appeal is effective for the most recent assessment date. If the appeal is filed after May 10, the change becomes effective for the next assessment date.

(e) The state board of tax commissioners shall prescribe the form of the petition for review of an assessment determination by a township assessor. The board shall issue instructions for completion of the form. The form and the instructions must be clear, simple, and understandable to the average individual. An appeal of such a determination must be made on the form prescribed by the board. The form must require the petitioner to specify the following:

- (1) The physical characteristics of the property in issue that bear



C
O
P
Y

on the assessment determination.

(2) All other facts relevant to the assessment determination.

(3) The reasons why the petitioner believes that the assessment determination by the township assessor is erroneous.

(f) The state board of tax commissioners shall prescribe a form for a response by the township assessor to the petition for review of an assessment determination. The board shall issue instructions for completion of the form. The form must require the township assessor to indicate:

(1) agreement or disagreement with each item indicated on the petition under subsection (e); and

(2) the reasons why the assessor believes that the assessment determination is correct.

(g) Immediately upon receipt of a timely filed petition on the form prescribed under subsection (e), the county assessor shall forward a copy of the petition to the township assessor who made the challenged assessment. The township assessor shall, within thirty (30) days after the receipt of the petition, attempt to hold a preliminary conference with the petitioner and resolve as many issues as possible. Within ten (10) days after the conference, the township assessor shall forward to the county auditor and county assessor a completed response to the petition on the form prescribed under subsection (f). The county assessor shall immediately forward a copy of the response form to the petitioner and the county property tax assessment board of appeals. ~~If the county auditor determines that the appealed items on which there is disagreement constitute at least one percent (1%) of the total gross certified assessed value of the immediately preceding year for any particular unit, the county auditor shall immediately notify the fiscal officer of the unit.~~ If after the conference there are items listed in the petition on which there is disagreement, the property tax assessment board of appeals shall hold a hearing within ninety (90) days of the filing of the petition on those items of disagreement, **except as provided in subsection (h)**. The taxpayer may present the taxpayer's reasons for disagreement with the assessment. The township assessor or county assessor for the county must present the basis for the assessment decision on these items to the board of appeals at the hearing and the reasons the petitioner's appeal should be denied on those items. The board of appeals shall have a written record of the hearing and prepare a written statement of findings and a decision on each item within sixty (60) days of the hearing. If the township assessor does not attempt to hold a preliminary conference, the board shall accept the appeal of the petitioner at the hearing.

C
O
P
Y



(h) The county property tax assessment board of appeals shall hold its hearing within one hundred eighty (180) days instead of ninety (90) days in a county having a population of more than four hundred thousand (400,000).

SECTION 14. IC 6-1.1-15-4, AS AMENDED BY P.L.6-1997, SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 4. (a) After receiving a petition for review which is filed under section 3 of this chapter, the division of appeals of the state board of tax commissioners shall conduct a hearing at its earliest opportunity. In addition, the division of appeals of the state board may assess the property in question, correcting any errors which may have been made. The division of appeals of the state board shall give notice of the date fixed for the hearing, by mail, to the taxpayer and to the appropriate township assessor, county assessor, and county auditor. **In addition, the notice shall be sent to each affected taxing unit when the appealed items constitute at least one percent (1%) of the taxing unit's total gross certified assessed value for the immediately preceding year.** The division of appeals of the state board shall give these notices at least ten (10) days before the day fixed for the hearing. **The notice must include the appellant's name, address, and the assessed value for the assessment date the year before the appeal and the assessed value on the most recent assessment date.**

(b) If a petition for review does not comply with the state board of tax commissioners' instructions for completing the form prescribed under section 3 of this chapter, the division of appeals of the state board of tax commissioners shall return the petition to the petitioner and include a notice describing the defect in the petition. The petitioner then has thirty (30) days from the date on the notice to cure the defect and file a corrected petition. The division of appeals of the state board of tax commissioners shall deny a corrected petition for review if it does not substantially comply with the state board of tax commissioners' instructions for completing the form prescribed under section 3 of this chapter.

(c) The state board of tax commissioners shall prescribe a form for use in processing petitions for review of actions by the county property tax assessment board of appeals. The state board shall issue instructions for completion of the form. The form must require the division of appeals of the state board to indicate agreement or disagreement with each item that is:

- (1) indicated on the petition submitted under section 1(e) of this chapter;



C
O
P
Y

- (2) included in the township assessor's response under section 1(g) of this chapter; and
- (3) included in the county property tax assessment board of appeals' findings, record, and determination under section 2.1(d) of this chapter.

The form must also require the division of appeals of the state board to indicate the issues in dispute and its reasons in support of its resolution of those issues.

(d) After the hearing the division of appeals of the state board shall give the petitioner, the township assessor, the county assessor, ~~and~~ the county auditor, **and the affected taxing units required to be notified under subsection (a):**

- (1) notice, by mail, of its final determination;
- (2) a copy of the form completed under subsection (c); and
- (3) notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

(e) The division of appeals of the state board of tax commissioners shall conduct a hearing within six (6) months after a petition in proper form is filed with the division, excluding any time due to a delay reasonably caused by the petitioner. The division of appeals shall make a determination within the later of forty-five (45) days after the hearing or the date set in an extension order issued by the chairman of the state board of tax commissioners. However, the state board of tax commissioners may not extend the final determination date by more than one hundred eighty (180) days. Except as provided in subsection

~~(g)~~ **(f):**

- (1) the failure of the division of appeals to make a determination within the time allowed by this subsection shall be treated as a final determination of the state board of tax commissioners to deny the petition; and
- (2) a final decision of the division of appeals is a final determination of the state board of tax commissioners.

~~(g)~~ **(f)** A final determination of the division of appeals is not a final determination of the state board of tax commissioners if the state board of tax commissioners:

- (1) gives notice to the parties that the state board of tax commissioners will review the determination of the division of appeals within fifteen (15) days after the division of appeals gives notice of the determination to the parties or the maximum allowable time for the issuance of a determination under subsection ~~(f)~~ **(e)** expires; or
- (2) determines to rehear the determination under section 5 of this



C
O
P
Y

chapter.

The state board of tax commissioners shall conduct a review under subdivision (1) in the same manner as a rehearing under section 5 of this chapter.

SECTION 15. IC 6-1.1-15-5, AS AMENDED BY P.L.6-1997, SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 5. (a) Within fifteen (15) days after the division of appeals of the state board of tax commissioners gives notice of its final determination under section 4 of this chapter to the party or the maximum allowable time for the issuance of a determination by the division of appeals under section 4 of this chapter expires, a party to the proceeding may request a rehearing before the board. The board may conduct a rehearing and affirm or modify its final determination, giving the same notices after the rehearing as are required by section 4 of this chapter. The state board of tax commissioners has thirty (30) days after receiving a petition for a rehearing to determine whether to grant a rehearing. Failure to grant a rehearing within thirty (30) days after receiving the petition shall be treated as a final determination to deny the petition. A petition for a rehearing does not toll the time in which to file a petition for judicial review unless the petition for rehearing is granted. If the state board of tax commissioners determines to rehear a final determination of the division of appeals, the state board of tax commissioners:

- (1) may conduct the additional hearings that the state board of tax commissioners determines necessary or review the written record of the division of appeals without additional hearings; and
- (2) shall issue a final determination within ninety (90) days after notifying the parties that the state board of tax commissioners will rehear the determination.

Failure of the state board of tax commissioners to make a determination within the time allowed under subdivision (2) shall be treated as a final determination affirming the decision of the division of appeals.

(b) A person may appeal the final determination of the division of appeals or the state board of tax commissioners regarding the assessment of that person's tangible property. The appeal shall be taken to the tax court. Appeals may be consolidated at the request of the appellants if it can be done in the interest of justice.

(c) If a person desires to initiate an appeal of the state board of tax commissioners' final determination, the person shall:

- (1) file a written notice with the state board of tax commissioners informing the board of his intention to appeal;
- (2) file a complaint in the tax court; and



C
O
P
Y

(3) serve the attorney general and the county assessor with a copy of the complaint.

(d) To initiate an appeal under this section, a person must take the action required by subsection (c) within:

(1) forty-five (45) days after the state board of tax commissioners gives the person notice of its final determination under IC 6-1.1-14-11 unless a rehearing is conducted under subsection (a);

(2) thirty (30) days after the board gives the person notice under subsection (a) of its final determination, if a rehearing is conducted under subsection (a) or the maximum time elapses for the state board of tax commissioners to make a determination under this section; or

(3) forty-five (45) days after the division of appeals gives notice of a final determination under section 4 of this chapter or the division fails to make a determination within the maximum time allowed under section 4 of this chapter, if a rehearing is not granted under this section.

(e) The failure of the state board of tax commissioners to conduct a hearing within the time period prescribed in section 4(b) of this chapter does not constitute notice to the person of a board determination.

(f) In a case in which the final determination of the state board of tax commissioners would result in a claim by a taxpayer with respect to a particular year for a refund that exceeds:

(1) eight hundred thousand dollars (\$800,000); or

(2) an amount equal to ten percent (10%) of the aggregate tax levies of ~~an~~ **any taxing unit** in the county for that year;

whichever is less, the county executive may take an appeal to the tax court in the manner prescribed in this section ~~but only~~ upon request by the county assessor **or an affected taxing unit. If the appeal is taken at the request of an affected taxing unit, the taxing unit shall pay the costs of the appeal.**

SECTION 16. IC 6-1.1-15-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 6. (a) If an appeal is initiated by a person under section 5 of this chapter, the secretary of the state board of tax commissioners shall prepare a certified **transcript record** of the proceedings related to the appeal. ~~However, the transcript shall not include the evidence compiled by the board with respect to the proceedings. The secretary of the board shall transmit the transcript to the clerk of the court designated by the appellant. The record must consist of the following documents:~~

(1) Copies of all papers submitted to the state board during

C
O
P
Y



the course of the action and copies of all papers provided to the parties by the state board. The term "papers" includes without limitation all notices, petitions, motions, photographs, and other written documents.

(2) The transcript of the evidence and proceedings at the administrative hearing conducted by the division of appeals of the state board.

(3) Copies of all exhibits and physical objects provided to the division of appeals of the state board during the course of the administrative hearing conducted by the division of appeals. Copies of the exhibits that, because of their nature, cannot be incorporated into the record must be kept by the state board until the appeal is finally terminated. However, this evidence must be briefly named and identified in the transcript of the evidence and proceedings.

(b) If a report of all or part of the evidence or proceedings at the hearing conducted by the state board was not made, or if a transcript is unavailable, a party to the appeal initiated under section 5 of this chapter may prepare a statement of the evidence or proceedings from the best available means, including the party's recollection. The statement must be submitted to the Indiana tax court and must also be served on all other parties who may then serve objections or prepare amendments to the statement within ten (10) days after service.

(c) If, on appeal, any difference arises as to whether the record, or the statement of evidence or proceedings when no record is available, truly discloses what occurred during board proceedings, the differences shall be submitted to the state board and settled by the state board and the record made to conform to the truth.

SECTION 17. IC 6-1.1-15-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 9. (a) If tangible property is reassessed by the state board of tax commissioners under section 8 of this chapter, the owner of the property has a right to appeal the board's final determination of the reassessment. In a case meeting the requirements of section 5(f)(1) or 5(f)(2) of this chapter, the county executive ~~also has a right to~~ **may** appeal the board's final determination of the reassessment ~~but only~~ upon request by the county assessor **or an affected taxing unit. If the appeal is taken at the request of an affected taxing unit, the taxing unit shall pay the costs of the appeal.**

(b) An appeal under this section must be initiated in the manner prescribed in section 5 of this chapter.



C
O
P
Y

SECTION 18. IC 6-1.1-15-10, AS AMENDED BY P.L.86-1995, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 10. **(a) This section applies to a petition for review to a board or an appeal to the tax court involving less than:**

- (1) five hundred thousand dollars (\$500,000) in assessed value resulting from an original assessment; or**
- (2) an increase of five hundred thousand dollars (\$500,000) in assessed value from one (1) year to the next.**

~~(a)~~ **(b)** If a petition for review to any board or an appeal to the tax court regarding an assessment or increase in assessment is pending, the taxes resulting from the assessment or increase in assessment are, notwithstanding the provisions of IC 6-1.1-22-9, not due until after the petition for review, or the appeal, is finally adjudicated and the assessment or increase in assessment is finally determined. However, even though a petition for review or an appeal is pending, the taxpayer shall pay taxes on the tangible property when the property tax installments come due, unless the collection of the taxes is enjoined pending an original tax appeal under IC 33-3-5. The amount of taxes which the taxpayer is required to pay, pending the final determination of the assessment or increase in assessment, shall be based on:

- (1) the assessed value reported by the taxpayer on his personal property return if a personal property assessment, or an increase in such an assessment, is involved; or
- (2) an amount based on the immediately preceding year's assessment of real property if an assessment, or increase in assessment, of real property is involved.

~~(b)~~ **(c)** If the petition for review or the appeal is not finally determined by the last installment date for the taxes, the taxpayer, upon showing of cause by a taxing official or at the tax court's discretion, may be required to post a bond or provide other security in an amount not to exceed the taxes resulting from the contested assessment or increase in assessment.

~~(c)~~ **(d)** Each county auditor shall keep separate on the tax duplicate a record of that portion of the assessed value of property on which a taxpayer is not required to pay taxes under subsection ~~(a)~~: **(b)**. When establishing rates and calculating state school support, the state board of tax commissioners shall recognize the fact that a taxpayer is not required to pay taxes under certain circumstances.

SECTION 19. IC 6-1.1-15-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: **Sec. 10.5. (a) This section applies**



C
O
P
Y

to a petition for review to a board or an appeal to the tax court involving at least:

- (1) five hundred thousand dollars (\$500,000) in assessed value resulting from an original assessment; or
- (2) an increase of five hundred thousand dollars (\$500,000) in assessed value from one (1) year to the next.

(b) If a petition for review to a board or an appeal to the tax court regarding an assessment or increase in assessment is pending, the taxes resulting from the assessment or increase in assessment may be paid. On each semiannual due date for payment of property taxes, the county assessor shall provide the county treasurer a list by tax district of the parcels eligible under subsection (a). The list must include the parcel or tax number, the appellant's name, address, and the assessed value for the assessment date of the year before the appeal, the assessed value on the most recent assessment date, and the difference in assessed value. Within sixty (60) days after receiving the list, the county treasurer shall report the collection to the county auditor.

(c) Within ninety (90) days of the semiannual due date of taxes, the county auditor shall certify the information received under subsection (b) to the various taxing units and the state board of tax commissioners. The unit shall deposit the taxes attributable to the disputed assessment in an interest bearing reserve account until after the petition for review or the appeal is finally adjudicated and the assessment, or increase in assessment is finally determined. A taxing unit may not expend property taxes held in reserve under this section.

(d) The county auditor shall keep separate on the tax duplicate a record of that part of the assessed value of property on which property taxes are held in reserve under subsection (b). When establishing rates and calculating state school support, the state board of tax commissioners shall recognize the fact that a taxing unit may not expend property taxes held in reserve under this section.

(e) A refund to a prevailing taxpayer shall be paid first from the property taxes held in reserve under this section.

(f) If an assessment or increase in assessment is upheld in a final determination, the county treasurer shall transfer the property taxes and interest held under this section in an amount proportional to the amount of property taxes foregone by each taxing unit under this section to the fiscal officer of each taxing unit in the county.

C
O
P
Y

(g) The taxing unit shall deposit property taxes and interest transferred under subsection (f) into the taxing unit's levy excess fund.

(h) The state board of tax commissioners shall adopt rules under IC 4-22-2 to implement this section.

SECTION 20. IC 6-1.1-15-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 11. **(a) If a review or appeal authorized under this chapter results in a reduction of the amount of an assessment or if the state board of tax commissioners on its own motion reduces an assessment, the taxpayer is entitled to a credit in the amount of any overpayment of tax on the next successive tax installment, if any, due in that year. If, after the credit is given, a further amount is due the taxpayer, he may file a claim for the amount due. If the claim is allowed by the board of county commissioners, the county auditor shall, without an appropriation being required, pay the amount due the taxpayer. However, if the amount due the taxpayer exceeds one hundred thousand dollars (\$100,000), the county auditor may pay the amount due in not more than four (4) annual installments to the extent the amount has not been deposited in an escrow account under section 10.5 of this chapter.** The county auditor shall charge the amount refunded to the taxpayer against the accounts of the various taxing units to which the overpayment has been paid.

(b) If the county auditor pays the amount due the taxpayer in annual installments under subsection (a), the taxpayer is entitled to receive with each installment the interest accrued upon the total amount due the taxpayer at six percent (6%) per annum.

(c) Notwithstanding subsection (a), the county auditor, the taxing units to which the overpayment has been paid, and the taxpayer may agree to a mutually satisfactory payment schedule.

SECTION 21. IC 6-1.1-17-1, AS AMENDED BY P.L.50-1996, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 1. (a) On or before August 1 of each year, the county auditor shall send a certified statement, under the seal of the board of county commissioners, to the fiscal officer of each political subdivision of the county and the state board of tax commissioners. The statement shall contain:

- (1) information concerning the assessed valuation in the political subdivision for the next calendar year;
- (2) an estimate of the taxes to be distributed to the political subdivision during the last six (6) months of the current calendar year;



C
O
P
Y

(3) the current assessed valuation as shown on the abstract of charges;

(4) the appellant's name, address, and the assessed value for the assessment date the year before the appeal and the assessed value on the most recent assessment date for each petition for review filed with any board or an appeal to the tax court for petitions and appeals as of July 15;

~~(4)~~ (5) the average growth in assessed valuation in the political subdivision over the preceding three (3) budget years, excluding years in which a general reassessment occurs, determined according to procedures established by the state board of tax commissioners; and

~~(5)~~ (6) any other information at the disposal of the county auditor that might affect the assessed value used in the budget adoption process.

(b) The estimate of taxes to be distributed shall be based on:

(1) the abstract of taxes levied and collectible for the current calendar year, less any taxes previously distributed for the calendar year; and

(2) any other information at the disposal of the county auditor which might affect the estimate.

(c) The fiscal officer of each political subdivision shall present the county auditor's statement to the proper officers of the political subdivision.

SECTION 22. IC 6-1.1-17-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: **Sec. 2.5. (a) When certifying the assessed value of a political subdivision for budget making purposes, the county auditor:**

(1) shall exclude appealed assessed value; and

(2) may exclude assessed value of property that is part of a bankruptcy estate, if the county auditor determines that the property taxes will be uncollectible if assessed.

The amount to be excluded under subdivision (1) shall be determined by the county auditor but may not be greater than the difference in the assessed value for the assessment date the year before the assessment appeal and the assessed value on the most recent assessment date as certified by the county auditor under IC 6-1.1-17-1. If the appeal concerns the assessment of new property, the amount of assessed value to be excluded is only the amount subject to appeal as estimated by the county assessor.

(b) The proper officers of a political subdivision shall exclude

C
O
P
Y



appealed and bankruptcy assessed value excluded under subsection (a) when formulating the political subdivision's estimated budget and its proposed tax rate and tax levy for the ensuing budget year.

SECTION 23. IC 6-1.1-28-1, AS AMENDED BY P.L.6-1997, SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 1. Each county shall have a county property tax assessment board of appeals composed of individuals who are at least eighteen (18) years of age and knowledgeable in the valuation of property. **Except for the county assessor, an individual who is an officer or employee of a county or township may not serve on the board of appeals in the county in which the individual is an officer or employee.** The fiscal body of the county shall appoint two (2) individuals to the board. At least one (1) of the members appointed by the county fiscal body must be a certified level two assessor-appraiser. The board of commissioners of the county shall appoint two (2) freehold members so that not more than three (3) of the five (5) members may be of the same political party and so that at least three (3) of the five (5) members are residents of the county. At least one (1) of the members appointed by the board of county commissioners must be a certified level two assessor-appraiser, **unless the county assessor is a certified level two assessor-appraiser.** A person appointed to a property tax assessment board of appeals may not serve on the property tax assessment board of appeals of another county at the same time. The members of the board shall elect a president. The employees of the county assessor shall provide administrative support to the property tax assessment board of appeals. The county assessor is a voting member of the property tax assessment board of appeals and shall serve as secretary of the board. The secretary shall keep full and accurate minutes of the proceedings of the board. A majority of the board constitutes a quorum for the transaction of business. Any question properly before the board may be decided by the agreement of a majority of the whole board.

SECTION 24. IC 6-1.1-31-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 1. (a) The state board of tax commissioners shall do the following:

- (1) Prescribe the property tax forms and returns which taxpayers are to complete and on which the taxpayers' assessments will be based.
- (2) Prescribe the forms to be used to give taxpayers notice of assessment actions.
- (3) Adopt rules concerning the assessment of tangible property.
- (4) Develop specifications that prescribe state requirements for

ES 382—LS 7160/DI 73+



C
O
P
Y

computer software and hardware to be used by counties for assessment purposes. The specifications developed under this subdivision apply only to computer software and hardware systems purchased for assessment purposes after July 1, 1993.

(5) Adopt rules establishing criteria for determining whether a project qualifies as rehabilitation under IC 6-1.1-12-18 or IC 6-1.1-12-22.

(6) Adopt rules establishing criteria for the revocation of a certification under IC 6-1.1-35.5-6.

(b) The state board of tax commissioners may promulgate rules which are related to **property taxation** or the duties or the procedures of the board.

SECTION 25. IC 6-1.1-31-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 6. (a) With respect to the assessment of real property, the rules of the state board of tax commissioners shall provide for:

(1) ~~the classification~~ **just valuation** of land on the basis of **comparable sales for nonagricultural land and income capitalization for agricultural land using classifications and the most recent data concerning:**

- (i) acreage;
- (ii) lots;
- (iii) size;
- (iv) location;
- (v) use;
- (vi) productivity or earning capacity;
- (vii) applicable zoning provisions;
- (viii) accessibility to highways, sewers, and other public services or facilities; and
- (ix) any other factor that the board determines by rule is just and proper; and

(2) ~~the classification~~ **determining reproduction cost and depreciation** of improvements on the basis of **classifications and the most recent data concerning:**

- (i) size;
- (ii) location;
- (iii) use;
- (iv) type and character of construction;
- (v) age;
- (vi) condition;
- (vii) cost of reproduction; and
- (viii) any other factor that the board determines by rule is just



C
O
P
Y

and proper.

(b) With respect to the assessment of real property, the rules of the state board of tax commissioners shall **use the most recent data at the time the rules are adopted and** include instructions for determining:

- (1) the proper classification of real property;
- (2) the size of real property;
- (3) the effects that location and use have on the **true tax** value of real property;
- (4) the depreciation, including physical deterioration and obsolescence, of real property;
- (5) the cost of reproducing improvements;
- (6) the productivity or earning capacity of land; and
- (7) the true tax value of real property based on the factors listed in this subsection and any other factor that the board determines by rule ~~is just and proper.~~ **is necessary to provide for the just valuation of property.**

(c) **The rules of the state board of tax commissioners shall include instructions for determining the starting point for the valuation of used depreciable personal property after a sale or transfer of the property.**

~~(c) With respect to the assessment of real property, true tax value does not mean fair market value.~~ (d) True tax value is **the value just valuation when it is** determined under the rules of the state board of tax commissioners.

SECTION 26. IC 6-1.1-31-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 7. (a) With respect to the assessment of personal property, the rules of the state board of tax commissioners shall provide for the classification of personal property on the basis of **the most recent data concerning:**

- (1) date of purchase;
- (2) location;
- (3) use;
- (4) depreciation, obsolescence and condition; and
- (5) any other factor that the board determines by rule ~~is just and proper.~~ **is necessary to provide for the just valuation of property.**

(b) With respect to the assessment of personal property, the rules of the state board of tax commissioners shall **use the most recent data at the time the rules are adopted and** include instructions for determining:

- (1) the proper classification of personal property;
- (2) the effect that location has on the **true tax** value of personal



C
O
P
Y

property;

(3) the cost of reproducing personal property;

(4) the depreciation, including physical deterioration and obsolescence, of personal property; and

(5) the true tax value of personal property based on the factors listed in this subsection and any other factor that the board determines by rule ~~is just and proper~~. **is necessary to provide for the just valuation of property.**

(c) In providing for the classification of personal property and the instructions for determining the items listed in subsection (b), the state board of tax commissioners shall not include the value of land as a cost of producing tangible personal property subject to assessment.

(d) ~~With respect to the assessment of personal property, true tax value does not mean fair market value.~~ True tax value is the **value just valuation** determined under **the** rules of the state board of tax commissioners.

SECTION 27. IC 6-1.1-31.5-2, AS ADDED BY P.L.6-1997, SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 2. (a) The board shall adopt rules under IC 4-22-2 to prescribe computer specification standards and for the certification of:

- (1) computer operating systems;
- (2) computer software;
- (3) software providers;
- (4) computer service providers; and
- (5) computer equipment providers.

(b) The rules of the board shall provide for **the following**:

- (1) The effective and efficient administration of assessment laws.
- (2) The prompt updating of assessment data **annually in a manner that the assessments may be updated each year using the most recent valuation standards, beginning in 2002.**
- (3) The administration of information contained in the sales disclosure form, as required under IC 6-1.1-5.5. ~~and~~
- (4) **Annually updating the land valuation standards under IC 6-1.1-4-13.6, beginning in 2002.**
- (5) **Annually updating the standards for reproduction costs and depreciation as determined under IC 6-1.1-31-6 and IC 6-1.1-31-7, beginning in 2002.**
- (6) **Annually updating the income capitalization standards for agricultural land as determined under IC 6-1.1-4-13, beginning in 2002.**
- (~~4~~) (7) **Any** other information necessary to carry out the



C
O
P
Y

administration of the property tax assessment laws.

(c) After December 31, 1998, a county may contract only for computer software and with software providers, computer service providers, and equipment providers that are certified by the board under the rules described in subsection (a).

(d) ~~The initial rules under this section must be adopted under IC 4-22-2 before January 1, 1998. The rules adopted must use the most recent data available at the time the rules are adopted for establishing standards for determining reproduction cost, depreciation, comparable sales, and income capitalization.~~

SECTION 28. IC 6-1.1-31.5-3, AS ADDED BY P.L.6-1997, SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 3. (a) After December 31, 1998, each county shall maintain a state certified computer system that has the capacity to:

- (1) process and maintain assessment records;
- (2) process and maintain standardized property tax forms;
- (3) process and maintain standardized property assessment notices;
- (4) maintain complete and accurate assessment records for the county; and
- (5) process and compute complete and accurate assessments in accordance with Indiana law.

The county assessor with the recommendation of the township assessors shall select the computer system used by township assessors and the county assessor in the county except in a county with a township assessor elected under IC 36-6-5-1 in every township. In a county with an elected township assessor under IC 36-6-5-1 in every township, the county assessor shall select a computer system based on a majority vote of the township assessors in the county.

(b) All information on the computer system shall be readily accessible to:

- (1) township assessors;
- (2) the county assessor;
- (3) the board; and
- (4) members of the county property tax assessment board of appeals.

(c) The certified system used by the counties must be compatible with the data export and transmission requirements in a standard format prescribed by the board. The certified system must be maintained in a manner that ensures prompt and accurate transfer of data to the board.

ES 382—LS 7160/DI 73+



C
O
P
Y

(d) All standardized property forms and notices on the certified computer system shall be maintained by the township assessor and the county assessor in an accessible location and in a format that is easily understandable for use by persons of the county.

(e) After December 31, 2001, the state certified computer system maintained by each county must have the capacity to update before March 15 of each year the following data:

- (1) The cost of reproducing improvements.**
- (2) The depreciation of real property.**
- (3) The value of land as determined under IC 6-1.1-4-13.6.**
- (4) The productivity or earning capacity of land used for agriculture as determined under IC 6-1.1-4-13.**

SECTION 29. IC 6-1.1-35.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 4. (a) The level one examination shall be given in the month of July, and the level two examination shall be given in the month of August. Both level examinations also shall be offered annually immediately following the conference of state board of tax commissioners and at any other times that coordinate with ~~applicable courses of instruction: training sessions conducted under IC 6-1.1-35.2-2.~~ The state board of tax commissioners may also give either or both examinations at other times throughout the year.

(b) Examinations shall be held **annually** in Indianapolis ~~at a location and at not less than four (4) other convenient locations~~ chosen by the state board of tax commissioners.

(c) The state board of tax commissioners may not limit the number of individuals who take the examination and shall provide an opportunity for all enrollees at each session to take the examination at that session.

SECTION 30. IC 6-1.1-35.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 6. (a) The state board of tax commissioners shall certify all persons who successfully perform **on** an examination under this chapter and shall furnish them with a certificate that prominently displays the name of the successful examinee and the fact that he is a level one or level two certified Indiana assessor-appraiser.

(b) The state board of tax commissioners shall revoke the certification of an individual if the state board reasonably determines that the individual committed fraud or misrepresentation with respect to the preparation, administration, or taking of the examination. The state board of tax commissioners shall give notice and hold a hearing to consider all the evidence



C
O
P
Y

about the fraud or misrepresentation before revoking the individual's certification.

SECTION 31. IC 6-1.1-43-5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 5. (a) The department of commerce shall adopt rules under IC 4-22-2 to implement this chapter.**

(b) The department of commerce shall annually prepare a report on the implementation of this chapter. The report must be submitted before December 31 each year to the following:

- (1) The governor.**
- (2) The lieutenant governor.**
- (3) The general assembly.**

SECTION 32. IC 6-3.1-19 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]:

Chapter 19. Community Revitalization Enhancement District Tax Credit

Sec. 1. As used in this chapter, "state and local tax liability" means a taxpayer's total tax liability incurred under:

- (1) IC 6-2.1 (the gross income tax);**
- (2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);**
- (3) IC 6-3-8 (the supplemental corporate net income tax);**
- (4) IC 6-3.5-1.1 (county adjusted gross income tax);**
- (5) IC 6-3.5-6 (county option income tax);**
- (6) IC 6-3.5-7 (county economic development income tax);**
- (7) IC 6-5-10 (the bank tax);**
- (8) IC 6-5-11 (the savings and loan association tax);**
- (9) IC 6-5.5 (the financial institutions tax); and**
- (10) IC 27-1-18-2 (the insurance premiums tax);**

as computed after the application of all credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 2. As used in this chapter, "qualified investment" means the amount of a taxpayer's expenditures that is:

- (1) for redevelopment or rehabilitation of property located within a community revitalization enhancement district designated under IC 36-7-13;**
- (2) made under a plan adopted by an advisory commission on industrial development under IC 36-7-13; and**
- (3) approved by the department of commerce before the expenditure is made.**

Sec. 3. (a) Subject to section 5 of this chapter, a taxpayer is



C
O
P
Y

entitled to a credit against the taxpayer's state and local tax liability for a taxable year if the taxpayer makes a qualified investment in that year.

(b) The amount of the credit to which a taxpayer is entitled is the qualified investment made by the taxpayer during the taxable year multiplied by twenty-five percent (25%).

(c) A taxpayer may assign any part of the credit to which the taxpayer is entitled under this chapter to a lessee of property redeveloped or rehabilitated under section 2 of this chapter. A credit that is assigned under this subsection remains subject to this chapter.

(d) An assignment under subsection (c) must be in writing and both the taxpayer and the lessee must report the assignment on their state tax return for the year in which the assignment is made, in the manner prescribed by the department. The taxpayer may not receive value in connection with the assignment under subsection (c) that exceeds the value of the part of the credit assigned.

Sec. 4. If the amount of the credit determined under section 3 of this chapter for a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to the immediately following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. A taxpayer is not entitled to a carryback or refund of any unused credit.

Sec. 5. (a) Except as provided in subsection (b), a taxpayer is not entitled to claim the credit provided by this chapter to the extent that the taxpayer substantially reduces or ceases its operations in Indiana in order to relocate them within the district.

(b) Notwithstanding subsection (a), a taxpayer's substantial reduction or cessation of operations in Indiana in order to relocate operations to a district does not make a taxpayer ineligible for a credit under this chapter if:

- (1) the taxpayer had existing operations in the district; and
- (2) the operations relocated to the district are an expansion of the taxpayer's operations in the district.

(c) A determination that a taxpayer is not entitled to the credit provided by this chapter as a result of a substantial reduction or cessation of operations applies to credits that would otherwise arise in the taxable year in which the substantial reduction or cessation occurs and in all subsequent years. Determinations under this



C
O
P
Y

section shall be made by the department of state revenue.

Sec. 6. To receive the credit provided by this section, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue all information that the department determines is necessary for the calculation of the credit provided by this chapter and for the determination of whether an expenditure was for a qualified investment.

SECTION 33. IC 6-6-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 10. (a) The bureau shall establish procedures necessary for the collection of the tax imposed by this chapter and for the proper accounting for the same. The necessary forms and records shall be subject to approval by the state board of accounts.

(b) The county treasurer upon receiving the excise tax collections shall receipt such collections into a separate account for settlement thereof at the same time as property taxes are accounted for and settled in June and December of each year, with the right and duty of the treasurer and auditor to make advances prior to the time of final settlement of such property taxes in the same manner as provided in IC 5-13-6-3.

(c) The county auditor shall determine the total amount of excise taxes collected for each taxing unit in the county and the amount so collected shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed.

(d) Such determination shall be made from copies of vehicle registration forms furnished by the bureau of motor vehicles. Prior to such determination, the county ~~assessor~~ **auditor** of each county shall, from copies of registration forms, cause information pertaining to legal residence of persons owning taxable vehicles to be verified ~~from his records; to the extent such verification can be so made. He and~~ shall further identify and verify ~~from his records~~ the several taxing units within which such persons reside.

~~(e) Such verifications shall be done by not later than thirty (30) days after receipt of vehicle registration forms by the county assessor, and the assessor shall certify such information to the county auditor for his use as soon as it is checked and completed.~~

SECTION 34. IC 20-5-7-6 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: **Sec. 6. The county auditor shall make**

ES 382—LS 7160/DI 73+



C
O
P
Y

available to the treasurer, or the treasurer's designee, of each school corporation in the county the tax duplicates held by the county auditor and county treasurer.

SECTION 35. IC 36-2-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 3. (a) The county fiscal body shall fix the compensation of officers, deputies, and other employees whose compensation is payable from the county general fund, county highway fund, county health fund, county park and recreation fund, aviation fund, or any other fund from which the county auditor issues warrants for compensation. This includes the power to:

- (1) fix the number of officers, deputies, and other employees;
- (2) describe and classify positions and services;
- (3) adopt schedules of compensation; and
- (4) hire or contract with persons to assist in the development of schedules of compensation.

(b) The county fiscal body shall fix the compensation of a county assessor who has attained a level two certification under IC 6-1.1-35.5 at an amount that is one thousand dollars (\$1,000) more than the compensation of an assessor who has not attained a level two certification.

~~(b)~~ (c) Notwithstanding subsection (a), the board of each local health department shall prescribe the duties of all its officers and employees, recommend the number of positions, describe and classify positions and services, adopt schedules of compensation, and hire and contract with persons to assist in the development of schedules of compensation.

~~(c)~~ (d) This section does not apply to community corrections programs (as defined in IC 11-12-1-1 and IC 35-38-2.6-2).

SECTION 36. IC 36-2-7-13, AS AMENDED BY P.L.253-1997(ss), SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1997 (RETROACTIVE)]: Sec. 13. The county fiscal body may grant to the county assessor, in addition to the compensation fixed under IC 36-2-5, a per diem for each day that the assessor is engaged in general reassessment activities, **including service on the county land valuation commission.** This section applies regardless of whether professional assessing services are provided under a contract to one (1) or more townships in the county.

SECTION 37. IC 36-4-10-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 5. (a) This section applies to second class cities.

(b) The fiscal officer is the head of the city department of finance. The fiscal officer shall do the following:

ES 382—LS 7160/DI 73+



C
O
P
Y

- (1) Prescribe the form of reports and accounts to be submitted to the department.
- (2) Sign and issue all warrants on the city treasury.
- (3) Audit and revise all accounts and trusts in which the city is concerned.
- (4) Keep separate accounts for each item of appropriation made for each city department, including a statement showing the amount drawn on each appropriation, the unpaid contracts charged against it, and the balance remaining.
- (5) At the end of each fiscal year, submit under oath to the city legislative body a report of the accounts of the city published in pamphlet form and showing revenues, receipts, expenditures, and the sources of revenues.
- (6) Maintain custody of the records of the department and turn them over to the fiscal officer's successor in office.
- (7) Perform duties prescribed by statute concerning the negotiation of city bonds, notes, and warrants.
- (8) Keep a register of bonds of the city and of transfers of those bonds.
- (9) Manage the finances and accounts of the city and make investments of city money, subject to the ordinances of the legislative body.
- (10) Issue city licenses on payment of the license fee.
- (11) Collect fees as fixed by ordinance.
- (12) Pay into the city treasury, once each week, all fees and other city money collected by the department during the preceding week, specifying the source of each item.
- (13) Prescribe payroll and account forms for all city offices.
- (14) Prescribe the manner in which salaries shall be drawn.
- (15) Prescribe the manner in which creditors, officers, and employees shall be paid.
- (16) Provide that all salaries are payable monthly, unless the legislative body establishes more frequent payments.
- (17) Notify the city executive of the failure of any city officer to collect money due the city or to pay city money into the city treasury.
- (18) Draw warrants on the city treasury for miscellaneous city expenditures not made under the direction of a department and not specifically fixed by statute.
- (19) Examine for proper form concerning city taxes the tax duplicates held by the county auditor and county treasurer.**
- (20) Examine property tax assessments for proper form**

C
O
P
Y

concerning city taxes.

SECTION 38. IC 36-6-8-5, AS AMENDED BY P.L.6-1997, SECTION 207, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 5. (a) When performing the real property reassessment duties prescribed by IC 6-1.1-4, an elected township assessor may receive per diem compensation, in addition to salary, at a rate fixed by the county fiscal body, for each day that he is engaged in reassessment activities, **including service on the county land valuation commission.**

(b) Subsection (a) applies regardless of whether professional assessing services are provided to a township under contract.

SECTION 39. IC 36-7-13-1.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 1.6. As used in this chapter, "district" refers to a community revitalization enhancement district designated under section 12 of this chapter.**

SECTION 40. IC 36-7-13-2.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 2.4. As used in this chapter, "gross retail base period amount" means the aggregate amount of state gross retail and use taxes remitted under IC 6-2.5 by the businesses operating in the territory comprising a district during the full state fiscal year that precedes the date on which an advisory commission on industrial development adopted a resolution designating the district.**

SECTION 41. IC 36-7-13-2.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 2.6. As used in this chapter, "gross retail incremental amount" means the remainder of:**

- (1) the aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses operating in a district during a state fiscal year; minus
- (2) the gross retail base period amount;

as determined by the department of state revenue under section 14 of this chapter.

SECTION 42. IC 36-7-13-3.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 3.2. As used in this chapter, "income tax base period amount" means the aggregate amount of state and local income taxes paid by employees employed in the territory comprising a district with respect to wages and salary earned for work in the district for the state fiscal year that**



C
O
P
Y

precedes the date on which an advisory commission on industrial development adopted a resolution designating the district.

SECTION 43. IC 36-7-13-3.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 3.4. As used in this chapter, "income tax incremental amount" means the remainder of:**

- (1) the aggregate amount of state and local income taxes paid by employees employed in a district with respect to wages earned for work in the district for a particular state fiscal year; minus
- (2) the income tax base period amount;

as determined by the department of state revenue under section 14 of this chapter.

SECTION 44. IC 36-7-13-3.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 3.8. As used in this chapter, "state and local income taxes" means taxes imposed under any of the following:**

- (1) IC 6-2.1 (the gross income tax).
- (2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax).
- (3) IC 6-3-8 (the supplemental corporate net income tax).
- (4) IC 6-3.5-1.1 (county adjusted gross income tax).
- (5) IC 6-3.5-6 (county option income tax).
- (6) IC 6-3.5-7 (county economic development income tax).

SECTION 45. IC 36-7-13-4, AS AMENDED BY P.L.262-1993, SECTION 3 (CURRENT VERSION), IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 4. (a) To provide money for the purposes set forth in section 3 of this chapter, the unit shall create a special revolving fund to be known as the industrial development fund, into which any available and unappropriated money of the unit may be transferred by the unit's legislative body.**

(b) The legislative body may also by ordinance levy a tax not to exceed five cents (\$0.05) on each one hundred dollars (\$100) of assessed value of all personal and real property within its jurisdiction. The proceeds of this tax shall be deposited in the industrial development fund. The unit may collect the tax as other municipal or county taxes are collected, or may set up a system for the collection and enforcement of the tax in the unit. **The proceeds of the tax may be used for any purpose authorized by this chapter and may be pledged for the payment of principal and interest on bonds or other obligation issued under this chapter.**

SECTION 46. IC 36-7-13-4, AS AMENDED BY P.L.6-1997,



C
O
P
Y

SECTION 208 (DELAYED VERSION), IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 4. (a) To provide money for the purposes set forth in section 3 of this chapter, the unit shall create a special revolving fund to be known as the industrial development fund, into which any available and unappropriated money of the unit may be transferred by the unit's legislative body.

(b) The legislative body may also by ordinance levy a tax not to exceed one and sixty-seven hundredths cents (\$0.0167) on each one hundred dollars (\$100) of assessed value of all personal and real property within its jurisdiction. The proceeds of this tax shall be deposited in the industrial development fund. The unit may collect the tax as other municipal or county taxes are collected, or may set up a system for the collection and enforcement of the tax in the unit. **The proceeds of the tax may be used for any purpose authorized by this chapter and may be pledged for the payment of principal and interest on bonds or other obligation issued under this chapter.**

SECTION 47. IC 36-7-13-5, AS AMENDED BY P.L.1-1994, SECTION 175, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 5. (a) In order to coordinate the efforts of the unit and any private industrial development committee in the community, an advisory commission on industrial development shall be appointed by the unit's executive.

(b) **Except as provided in subsection (d)**, the commission shall be composed of six (6) members, including at least one (1) representative of the unit's government, at least one (1) representative of the local industrial development committee, at least one (1) representative of a local banking institution, at least one (1) representative of a local utility company, and at least one (1) representative of organized labor from the building trades. A member of the commission may represent more than one (1) of the organizations enumerated.

(c) The unit's legislative body shall request the commission's recommendations. The legislative body may not conduct any business requiring expenditures from the industrial development fund or make any sale or lease of property acquired by the unit under this chapter without the approval, in writing, of a majority of the members of the commission.

(d) In addition to the members described in subsection (b), if the executive of a unit has submitted a petition to a commission under section 10 of this chapter, the following persons are members of the commission:

- (1) A member appointed by the governor.
- (2) A member appointed by the lieutenant governor.

ES 382—LS 7160/DI 73+



C
O
P
Y

(3) A member appointed by the director of the department of workforce development.

SECTION 48. IC 36-7-13-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. When the purposes for which the industrial development fund was established have been accomplished **and all districts designated by the unit have been terminated under section 19 of this chapter**, the balance remaining in that fund shall be transferred to the general fund of the unit and the authority for the levy of the tax provided by section 4 of this chapter ceases.

SECTION 49. IC 36-7-13-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 10. (a) After approval by ordinance or resolution of the legislative body of a municipality, the executive of the municipality may submit an application to an advisory commission on industrial development requesting that an area within the municipality be designated as a district.**

(b) After approval by ordinance or resolution of the legislative body of a county, the executive of the county may submit an application to an advisory commission on industrial development requesting that an area within the county, but not within a municipality, be designated as a district.

SECTION 50. IC 36-7-13-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 11. If a municipal or county executive submits an application requesting an area to be designated as a district under this chapter, the advisory commission on industrial development shall do the following:**

- (1) Compile information necessary to make a determination concerning whether the area meets the conditions necessary for designation as a district.**
- (2) Prepare maps showing the boundaries of the proposed district.**
- (3) Prepare a plan describing the ways in which the development obstacles described in section 12(b)(3) of this chapter in the proposed district will be addressed.**

SECTION 51. IC 36-7-13-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 12. (a) If a municipal or county executive has submitted an application to an advisory commission on industrial development requesting that an area be designated as a district under this chapter and the advisory commission has**



C
O
P
Y

compiled and prepared the information required under section 11 of this chapter concerning the area, the advisory commission may adopt a resolution designating the area as a district if it makes the findings described in subsection (b).

(b) An advisory commission may adopt a resolution designating a particular area as a district only after finding all of the following:

(1) The area contains:

- (A) a building or buildings with at least one million (1,000,000) square feet of usable interior floor space; or
- (B) at least five hundred (500) and not more than seven hundred fifty (750) acres of property zoned for industrial use.

(2) At least one thousand (1,000) fewer persons are employed in the area than were employed in the area during the year that is ten (10) years previous to the current year.

(3) There are significant obstacles to redevelopment of the area due to any of the following problems:

- (A) Obsolete or inefficient buildings.
- (B) Aging infrastructure or inefficient utility services.
- (C) Utility relocation requirements.
- (D) Transportation or access problems.
- (E) Topographical obstacles to redevelopment.
- (F) Environmental contamination.

(4) The unit has expended, appropriated, pooled, set aside, or pledged at least one hundred thousand dollars (\$100,000) for purposes of addressing the redevelopment obstacles described in subdivision (3).

(c) The advisory commission shall designate the duration of the zone but the duration must not exceed fifteen (15) years (at the time of designation).

SECTION 52. IC 36-7-13-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 13. (a) If an advisory commission on industrial development designates a district under section 12 of this chapter, the advisory commission shall send a certified copy of the resolution designating the district to the department of state revenue by certified mail.**

(b) Not later than sixty (60) days after receiving a copy of the resolution designating a district, the department of state revenue shall determine the gross retail base period amount and the income tax base period amount.

SECTION 53. IC 36-7-13-14 IS ADDED TO THE INDIANA



C
O
P
Y

CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 14.** Before the first business day in October of each year, the department shall calculate the income tax incremental amount and the gross retail incremental amount for the preceding state fiscal year for each district designated under this chapter.

SECTION 54. IC 36-7-13-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 15. (a)** If an advisory commission on industrial development designates a district under this chapter, the treasurer of state shall establish an incremental tax financing fund for the county. The fund shall be administered by the treasurer of state. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) Before July 2 of each calendar year, the department of state revenue, after reviewing the recommendation of the budget agency, shall estimate and certify to the advisory commission on industrial development the amount of the income tax incremental amount and the gross retail incremental amount that will be collected from the district during the twelve (12) month period beginning July 1 of that calendar year and ending June 30 of the following calendar year. The amount certified shall be deposited into the fund and shall be distributed on the dates specified in subsection (e) for the following calendar year. The amount certified may be adjusted under subsection (c) or (d).

(c) The department of state revenue may certify an amount that is greater than the estimated twelve (12) month income tax incremental amount collection and gross retail incremental amount collection if the department, after reviewing the recommendation of the budget agency, determines that there will be a greater amount of incremental income tax revenue or incremental gross retail tax revenue available for distribution from the fund.

(d) The department of state revenue may certify an amount less than the estimated twelve (12) month incremental amount collection and gross retail incremental amount collection if the department, after reviewing the recommendation of the budget agency, determines that a part of those collections needs to be distributed during the current calendar year so that the county will receive its full certified amount for the current calendar year.

(e) The auditor of state shall disburse a district's certified amount to the district's advisory commission on industrial development in equal semiannual installments on May 31 and

C
O
P
Y

November 30 of each year.

SECTION 55. IC 36-7-13-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 16. (a) A unit may issue bonds or other obligations to finance the costs of addressing the development obstacles described in section 12(b)(3) of this chapter in the district.**

(b) The district bonds are special obligations of indebtedness of the district. The district bonds issued under this section, and interest on the district bonds, are payable solely out of amounts deposited in the industrial development fund under this chapter.

SECTION 56. IC 36-7-13-17 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 17. Money in the industrial development fund may be pledged by an advisory commission to the following purposes:**

(1) To pay debt service on bonds or other obligations issued under this chapter.

(2) To establish and maintain a debt service reserve established by the advisory commission.

SECTION 57. IC 36-7-13-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 18. (a) As used in this section, "developer" means a person that:**

(1) proposes to enter into, or has entered into, a financing agreement with a unit for the development or redevelopment of a facility located in a district; and

(2) has entered into a separate agreement with some other person for the use or operation of the financed facility.

(b) A unit may establish goals or benchmarks concerning the development or redevelopment of property by a developer. The unit may provide that a developer that meets or exceeds the goals or benchmarks shall be paid a specified fee from the industrial development fund.

SECTION 58. IC 36-7-13-19 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 19. When the advisory commission determines that the purposes for which a district was established have been accomplished and that all bonds or other obligations issued under this chapter and all interest on those bonds or obligations have been fully paid, the advisory commission shall adopt a resolution terminating the district. If an advisory**



C
O
P
Y

commission adopts a resolution under this section, the advisory commission shall send a certified copy of the resolution by certified mail to the department.

SECTION 59. IC 36-7-13-20 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 20. The general assembly covenants that this chapter will not be repealed or amended in a manner that will adversely affect the owner of bonds or other obligations issued under this chapter.**

SECTION 60. IC 6-1.1-12.1-5.8 IS REPEALED [EFFECTIVE JANUARY 1, 1999].

SECTION 61. [EFFECTIVE JULY 1, 1998] **IC 6-1.1-10-42, as added by this act, applies only to property taxes first due and payable after December 31, 1998.**

SECTION 62. [EFFECTIVE JANUARY 1, 1997 (RETROACTIVE)]: (a) **This SECTION applies to a property owner who:**

- (1) **before January 1, 1997, received notice from a:**
 - (A) **city that is a consolidated city; or**
 - (B) **city having a population of more than forty-four thousand six hundred (44,600) but less than forty-four thousand seven hundred (44,700);****offering to provide property tax deductions to the property owner under IC 6-1.1-12.1;**
- (2) **has fulfilled all expectations of the city concerning job creation or retention, capital investment, and other requirements imposed by the city; and**
- (3) **is not eligible for the property tax deductions described in the agreement due to the failure of the property owner or the city, or both, to comply with one (1) or more requirements of IC 6-1.1-12.1.**

(b) **This subsection applies only to a city described in subsection (a)(1)(A). Notwithstanding IC 6-1.1-12.1, the city may grant the property tax deductions described in subsection (a) if, before July 1, 1998, both the property owner and the city complete all the procedures required by IC 6-1.1-12.1 that would have been necessary to grant the property tax deductions described in subsection (a).**

(c) **This subsection applies only to a city described in subsection (a)(1)(B). Notwithstanding IC 6-1.1-12.1, if a property owner has received a notice from the city offering to provide a property tax deduction, the county auditor shall make the appropriate**



C
O
P
Y

deduction described in subsection (a) if, before July 1, 1998:

- (1) the property owner complies with all requirements of IC 6-1.1-12.1 that would have been necessary to grant the deduction described in subsection (a); and
- (2) the mayor of the city consents to the granting of the deduction.

(d) Property tax deductions granted under this SECTION apply to property taxes first due and payable after December 31, 1996.

(e) This SECTION expires July 2, 1998.

SECTION 63. [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: IC 6-1.1-10-16.5, as added by this act, applies to property taxes first due and payable after December 31, 1998.

SECTION 64. [EFFECTIVE JANUARY 1, 1999] IC 6-1.1-15-1, IC 6-1.1-15-4, IC 6-1.1-15-5, IC 6-1.1-15-9, IC 6-1.1-15-10, IC 6-1.1-15-11, and IC 6-1.1-17-1, all as amended by this act, and IC 6-1.1-15-10.5 and IC 6-1.1-17-2.5, both as added by this act, apply to property taxes first due and payable after December 31, 1998.

SECTION 65. [EFFECTIVE JULY 1, 1998] IC 6-1.1-10-29, as amended by this act, applies to property taxes first due and payable after December 31, 1998.

SECTION 66. [EFFECTIVE UPON PASSAGE] The department of commerce shall adopt the rules described in IC 6-1.1-43-5, as added by this act, before January 1, 1999.

SECTION 67. [EFFECTIVE JULY 1, 1998] (a) The reductions set forth in IC 6-1.1-12-19, as amended by this act, do not apply to deductions that were first claimed before July 1, 1998. These deductions remain at one hundred percent (100%) until they expire.

(b) Notwithstanding IC 6-1.1-12-19, as amended by this act, if a deduction is first claimed under IC 6-1.1-12-19, after June 30, 1998, and before July 1, 1999, the deduction is reduced as follows:

- (1) One hundred percent (100%) of the original deduction for the second year.
- (2) Sixty percent (60%) of the original deduction for the third year.
- (3) Forty percent (40%) of the original deduction for the fourth year.
- (4) Twenty percent (20%) of the original deduction for the fifth year.

In the sixth year, the county auditor shall add the amount of the original deduction to the assessed value of the real property.



C
O
P
Y

(c) Notwithstanding IC 6-1.1-12-19, as amended by this act, if a deduction is first claimed under IC 6-1.1-12-19, after June 30, 1999, and before July 1, 2000, the deduction is reduced as follows:

- (1) Eighty percent (80%) of the original deduction for the second year.
- (2) Sixty percent (60%) of the original deduction for the third year.
- (3) Forty percent (40%) of the original deduction for the fourth year.
- (4) Twenty percent (20%) of the original deduction for the fifth year.

In the sixth year, the county auditor shall add the amount of the original deduction to the assessed value of the real property.

SECTION 68. [EFFECTIVE JANUARY 1, 1999] IC 6-3.1-19, as added by this act, applies only to taxable years beginning after December 31, 1998.

SECTION 69. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to Senate Bill 382 as printed January 27, 1998.)

BAUER, Chair

Committee Vote: yeas 17, nays 4.

C
O
P
Y

