

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1170 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 6-1.1-18.5-2 IS AMENDED TO READ AS
- 4 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. (a) **As used in this**
- 5 **section, "price deflator" refers to the gross domestic product**
- 6 **implicit price deflator prepared by the United States Department**
- 7 **of Commerce.** For purposes of determining a civil taxing unit's
- 8 maximum permissible ad valorem property tax levy for an ensuing
- 9 calendar year, the civil taxing unit shall use the assessed value growth
- 10 quotient determined in the last STEP of the following STEPS:
- 11 STEP ONE: Determine the three (3) calendar years that most
- 12 immediately precede the ensuing calendar year and in which a
- 13 statewide general reassessment of real property does not first
- 14 become effective.
- 15 STEP TWO: Compute separately, for each of the calendar years
- 16 determined in STEP ONE, the quotient (rounded to the nearest
- 17 ten-thousandth) of the civil taxing unit's total assessed value of
- 18 all taxable property in the particular calendar year, divided by
- 19 the civil taxing unit's total assessed value of all taxable property
- 20 in the calendar year immediately preceding the particular
- 21 calendar year.
- 22 STEP THREE: Divide the sum of the three (3) quotients
- 23 computed in STEP TWO by three (3).
- 24 STEP FOUR: Determine the greater of **the following:**

1 (A) The result computed in STEP THREE. ~~or one and~~
 2 ~~five-hundredths (1.05):~~

3 (B) The following:

4 (i) **Determine the change in the price deflator for**
 5 **the state fiscal year that most immediately precedes**
 6 **the ensuing calendar year.**

7 (ii) **Determine the sum of one (1) plus the result**
 8 **determined under item (i).**

9 (iii) **Determine the lesser of the result determined**
 10 **under item (ii) or one and four-hundredths (1.04).**

11 STEP FIVE: Determine the lesser of the result computed in
 12 STEP FOUR or one and one-tenth (1.1).

13 (b) If the assessed values of taxable property used in determining
 14 a civil taxing unit's property taxes that are first due and payable in a
 15 particular calendar year are significantly increased over the assessed
 16 values used for the immediately preceding calendar year's property
 17 taxes due to the settlement of litigation concerning the general
 18 reassessment of that civil taxing unit's real property, then for purposes
 19 of determining that civil taxing unit's assessed value growth quotient
 20 for an ensuing calendar year, the state board of tax commissioners shall
 21 replace the **assessed value growth** quotient described in STEP TWO
 22 of subsection (a) for that particular calendar year. The state board of tax
 23 commissioners shall replace that quotient with one that as accurately
 24 as possible will reflect the actual growth in the civil taxing unit's
 25 assessed values of real property from the immediately preceding
 26 calendar year to that particular calendar year.

27 (c) **Not later than July 1 each year, the state board of tax**
 28 **commissioners shall provide each civil taxing unit and county**
 29 **auditor with an estimate of the assessed value growth quotient**
 30 **determined under subsection (a) that applies to the ensuing**
 31 **calendar year. Each civil taxing unit and county board of tax**
 32 **adjustment shall use the estimated assessed value growth quotient**
 33 **determined under subsection (a) by the state board of tax**
 34 **commissioners in preparing, adopting, and reviewing budgets, tax**
 35 **rates, and tax levies. Not later than October 1 each year, the state**
 36 **board of tax commissioners shall provide each civil taxing unit**
 37 **with a revised assessed value growth quotient using the latest**
 38 **published data concerning the price deflator available to the state**
 39 **board of tax commissioners. The state board of tax commissioners**
 40 **shall use the revised assessed value growth quotient in certifying**
 41 **budgets, tax rates, and tax levies under IC 6-1.1-17-16."**

42 Page 2, after line 36, begin a new paragraph and insert:

43 "SECTION 3. [EFFECTIVE JULY 1, 1998] (a) **Except as**
 44 **provided in subsection (b) and notwithstanding any other law, a**
 45 **civil taxing unit may not impose a property tax rate for property**
 46 **taxes first due and payable in 1999 and for property taxes first due**

1 **and payable in 2000 that is greater than the property tax rate**
2 **imposed by the civil taxing unit for property taxes first due and**
3 **payable in 1998.**

4 **(b) The property tax rate limit established in subsection (a)**
5 **does not apply to a property tax rate imposed by a civil taxing unit:**

6 **(1) for the civil taxing unit's debt service fund; or**

7 **(2) for payment of any other bond or lease obligations.**

8 **(c) This SECTION expires January 1, 2001."**

9 Renumber all SECTIONS consecutively.

(Reference is to HB 1170 as printed January 28, 1998.)

Representative Espich