

Adopted	Rejected
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# COMMITTEE REPORT

<b>YES:</b>	<b>20</b>
<b>NO:</b>	<b>0</b>

**MR. SPEAKER:**

*Your Committee on Ways and Means, to which was referred House Bill 1396, 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:*

- 1           Page 2, delete lines 37 through 42.
- 2           Delete page 3.
- 3           Page 4, delete lines 1 through 27, begin a new line blocked left
- 4           and insert:
- 5           "determined by the state board of tax commissioners. Not later than
- 6           November 1 of the year preceding the year in which a general
- 7           reassessment ~~becomes effective; the assessor commences. The~~
- 8           **commission** determining the values of land shall submit the values, **all**
- 9           **data supporting the values, and all information required under**
- 10          **rules of the state board of tax commissioners relating to the**
- 11          **determination of land values** to the county property tax assessment
- 12          board of appeals. **To protect the confidentiality of information**
- 13          **contained on sales disclosure forms required under IC 6-1.1-5.5**
- 14          **and used by the commission, no originals or copies of sales**

1 **disclosure forms shall be submitted to the county property tax**  
 2 **assessment board of appeals. The commission shall outline the sales**  
 3 **information used in a manner that prevents identification of the**  
 4 **specific properties involved in the transaction.** Not later than  
 5 December 1 of the year preceding the year in which a general  
 6 reassessment ~~becomes effective;~~ **commences** the county property tax  
 7 assessment board of appeals shall hold a public hearing in the county  
 8 concerning those values. The property tax assessment board of appeals  
 9 shall give notice of the hearing in accordance with IC 5-3-1 and shall  
 10 hold the hearing after March 31 and before ~~December~~ **January** 1 of the  
 11 year ~~preceding the year~~ in which the general reassessment under  
 12 IC 6-1.1-4-4 ~~becomes effective;~~ **commences.**

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

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

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  
15 the county of the values as ~~modified by the county property tax~~  
16 ~~assessment board of appeals: determined by the commission and as~~  
17 ~~modified by the state board on review or on appeal.~~ Township  
18 assessors shall use the values determined under this section."

19 Page 5, line 11, strike "must" and insert "**may not**".

20 Page 5, line 12, strike "after the review and" and insert "**until after**  
21 **the fiscal body considers the**".

22 Page 5, line 14, strike "IC 36-6-5-11" and insert "**IC 36-6-5-1**".

23 Page 5, line 15, delete "A request for an".

24 Page 5, delete lines 16 through 20.

25 Page 5, between lines 20 and 21, begin a new paragraph and  
26 insert:

27 "SECTION 5. IC 6-1.1-5-16, AS ADDED BY P.L.51-1997,  
28 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
29 JANUARY 1, 1999]: Sec. 16. If an owner of existing contiguous  
30 parcels makes a written request that includes **a recorded deed having**  
31 a legal description of the existing contiguous parcels sufficient for the  
32 assessing official to identify each parcel and the area of all contiguous  
33 parcels, the assessing official shall consolidate more than one (1)  
34 existing contiguous parcel into a single parcel to the extent that the  
35 existing contiguous parcels are in a single taxing district **and the same**  
36 **section**. For existing contiguous parcels in more than one (1) taxing  
37 district **or one (1) section**, the assessing official shall, upon written  
38 request by the owner **that includes a recorded deed combining the**

1 **contiguous parcels**, consolidate the existing contiguous parcels in each  
 2 taxing district **and each section** into a single parcel. An assessing  
 3 official shall consolidate more than one (1) existing contiguous parcel  
 4 into a single parcel if an improvement to the real property is located on  
 5 or otherwise significantly affects the parcels **and the owner has**  
 6 **recorded a deed combining the contiguous parcels.**

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

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

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

29 Page 9, between lines 8 and 9, begin a new paragraph and insert:

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

36 (1) **The tract is located:**

37 (A) **under a lake or reservoir; or**

38 (B) **adjacent to a lake or reservoir.**

1           **(2) The lake or reservoir under which or adjacent to which**  
 2           **the tract is located was formed by a dam or control structure**  
 3           **owned and operated by a public utility for the generation of**  
 4           **hydroelectric power.**

5           **(3) The public benefit corporation that owns the tract is**  
 6           **exempt from federal income taxation under Section 501(c)(3)**  
 7           **of the Internal Revenue Code and has maintained its tax**  
 8           **exempt status for the previous three (3) years.**

9           **(4) The public benefit corporation that owns the tract is**  
 10          **primarily engaged in active efforts to protect and enhance**  
 11          **the environment and water quality of the lake or reservoir**  
 12          **under which or adjacent to which the tract is located in**  
 13          **order to facilitate the public recreational use of the lake or**  
 14          **reservoir.**

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

21           Page 9, between lines 29 and 30, begin a new paragraph and  
 22           insert:

23           "SECTION 11. IC 6-1.1-10-25 IS AMENDED TO READ AS  
 24           FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 25. (a) Subject to the  
 25           limitations contained in subsection (b), ~~of this section,~~ tangible  
 26           property is exempt from property taxation if it is owned by any of the  
 27           following organizations:

- 28           (1) The Young Men's Christian Association.  
 29           (2) The Salvation Army, Inc.  
 30           (3) The Knights of Columbus.  
 31           (4) The Young Men's Hebrew Association.  
 32           (5) The Young Women's Christian Association.  
 33           (6) A chapter or post of Disabled American Veterans of World  
 34           War I or II.  
 35           (7) A chapter or post of the Veterans of Foreign Wars.  
 36           (8) A post of the American Legion.  
 37           (9) A post of the American War Veterans.  
 38           (10) A camp of United States Spanish War Veterans.

1 (11) The Boy Scouts of America, one (1) or more of its  
 2 incorporated local councils, or a bank or trust company in trust  
 3 for the benefit of one (1) or more of its local councils.

4 (12) The Girl Scouts of the U.S.A., one (1) or more of its  
 5 incorporated local councils, or a bank or trust company in trust  
 6 for the benefit of one (1) or more of its local councils.

7 **(13) A nonprofit public radio station.**

8 **(14) A nonprofit public television station.**

9 **(15) Southern Indiana Higher Education, Inc.**

10 **(16) A 4-H organization.**

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

14 SECTION 12. IC 6-1.1-10-42 IS ADDED TO THE INDIANA  
 15 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 16 [EFFECTIVE JANUARY 1, 1999]: **Sec. 42. (a) A corporation that:**

17 **(1) is nonprofit; and**

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

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

22 **(b) A corporation that wishes to obtain an exemption from**  
 23 **property taxation under this section must file an exemption**  
 24 **application annually."**

25 Page 9, line 32, strike "The" and insert "An".

26 Page 9, line 33, after "taxation" insert "and a nonprofit  
 27 corporation seeking an exemption under IC 6-1.1-10-42".

28 Page 9, line 33, after "shall" insert "each".

29 Page 9, line 35, after "property" insert "that is the subject of the  
 30 exemption".

31 Page 10, line 14, after "corporation" insert ", except for a  
 32 nonprofit corporation seeking an exemption under  
 33 IC 6-1.1-10-42,".

34 Page 11, between lines 3 and 4, begin a new paragraph and insert:

35 "SECTION 13. IC 6-1.1-11-8.5 IS ADDED TO THE INDIANA  
 36 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 37 [EFFECTIVE JANUARY 1, 1999]: **Sec. 8.5. (a) Before November 1**

38 **of a year that is not a general reassessment year, the county**

1 **property tax assessment board of appeals shall review each**  
 2 **exemption that was granted during the calendar year that is two**  
 3 **(2) years before the current calendar year.**

4 **(b) The county property tax assessment board of appeals shall**  
 5 **determine if the property granted the exemption still meets the**  
 6 **criteria for an exemption.**

7 **(c) If the county property tax assessment board of appeals**  
 8 **determines that property granted an exemption no longer meets**  
 9 **the criteria for the exemption, the board of appeals shall:**

10 **(1) revoke the exemption; and**

11 **(2) inform the county auditor.**

12 **Upon receiving a notice from the county property tax assessment**  
 13 **board of appeals under this subsection, the county auditor shall**  
 14 **notify the owner of the property by mail. Within thirty (30) days**  
 15 **after the notice is mailed, the owner may, in the manner prescribed**  
 16 **by IC 6-1.1-15-3, petition the state board of tax commissioners to**  
 17 **review the revocation decision of the county property tax**  
 18 **assessment board of appeals."**

19 Page 11, between lines 12 and 13, begin a new paragraph and  
 20 insert:

21 "SECTION 15. IC 6-1.1-12-18, AS AMENDED BY P.L.6-1997,  
 22 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23 JANUARY 1, 2001]: Sec. 18. (a) If the assessed value of residential  
 24 real property described in subsection (d) of this section is increased  
 25 because it has been rehabilitated, the owner may have deducted from  
 26 the assessed value of the property an amount not to exceed the lesser  
 27 of:

28 (1) the total increase in assessed value resulting from the  
 29 rehabilitation; or

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

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

34 (b) For purposes of this section, the term "rehabilitation" means  
 35 **significant** repairs, replacements, or improvements **to an existing**  
 36 **structure** which are intended to increase the livability, utility, safety,  
 37 or value of the property ~~and which do not increase the total amount of~~  
 38 ~~floor space devoted to residential purposes unless the increase in floor~~

1 space is required in order to make the building comply with a local  
 2 housing code or zoning ordinance: **under rules adopted by the state**  
 3 **board of tax commissioners.**

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

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

11 (1) a single family dwelling if before rehabilitation the assessed  
 12 value (excluding any exemptions or deductions) of the  
 13 improvements does not exceed eighteen thousand dollars  
 14 (\$18,000);

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

18 (3) a dwelling with more than two (2) family units if before  
 19 rehabilitation the assessed value (excluding any exemptions or  
 20 deductions) of the improvements does not exceed nine thousand  
 21 dollars (\$9,000) per dwelling unit.

22 SECTION 16. IC 6-1.1-12-19 IS AMENDED TO READ AS  
 23 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 19. The deduction  
 24 from assessed value provided by section 18 of this chapter is first  
 25 available in the year in which the increase in assessed value resulting  
 26 from the rehabilitation occurs and shall continue for the following four  
 27 (4) years. **However, the deduction is reduced as follows:**

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

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

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

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

36 In the sixth (~~6th~~) year, the county auditor shall add the amount of the  
 37 deduction to the assessed value of the real property. A general  
 38 reassessment of real property which occurs within the five (5) year

- 1 period of the deduction does not affect the amount of the deduction.
- 2 SECTION 17. IC 6-1.1-12-22, AS AMENDED BY P.L.6-1997,  
 3 SECTION 54, and P.L.54-1997, SECTION 1, IS CORRECTED AND  
 4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1,  
 5 2001]: Sec. 22. (a) If the assessed value of property is increased  
 6 because it has been rehabilitated *and the owner has paid at least ten*  
 7 *thousand dollars (\$10,000) for the rehabilitation*, the owner is entitled  
 8 to have deducted from the assessed value of the property an amount  
 9 equal to fifty percent (50%) of the increase in assessed value resulting  
 10 from the rehabilitation. The owner is entitled to this deduction annually  
 11 for a five (5) year period. However, the maximum deduction which a  
 12 property owner may receive under this section for a particular year is:
- 13 (1) ~~twenty fifteen~~ **sixty** thousand dollars ~~(\$20,000) (\$15,000)~~  
 14 **(\$60,000)** for a single family dwelling unit; or
- 15 (2) ~~one hundred seventy-five~~ **three hundred** thousand dollars  
 16 ~~(\$100,000) (\$75,000)~~ **(\$300,000)** for any other type of property.
- 17 (b) For purposes of this section, the term "property" means a  
 18 building or structure which was erected at least ~~fifty (50)~~ ~~ten (10)~~ years  
 19 before the date of application for the deduction provided by this  
 20 section. The term "property" does not include land.
- 21 (c) For purposes of this section the term "rehabilitation" means ~~the~~  
 22 ~~remodeling, repair, or betterment of property in any manner or any~~  
 23 ~~enlargement or extension of property. However, The enlargement or~~  
 24 ~~extension of the enclosed floor area of property shall, for computation~~  
 25 ~~of the deduction, be limited within a five (5) year period to a total~~  
 26 ~~additional enclosed floor area equal to the size of the enclosed floor~~  
 27 ~~area of the property on the date of completion of the first extension or~~  
 28 ~~enlargement completed after March 1, 1973. **significant repairs,**~~  
 29 **replacements, or improvements to an existing structure that are**  
 30 **intended to increase the livability, utility, safety, or value of the**  
 31 **property under rules adopted by the state board of tax**  
 32 **commissioners.**
- 33 SECTION 18. IC 6-1.1-15-1, AS AMENDED BY P.L.6-1997,  
 34 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35 JANUARY 1, 1999]: Sec. 1. (a) A taxpayer may obtain a review by the  
 36 county property tax assessment board of appeals of a county or  
 37 township official's action with respect to the assessment of the  
 38 taxpayer's tangible property if the official's action requires the giving

1 of notice to the taxpayer. At the time that notice is given to the  
2 taxpayer, he shall also be informed in writing of:

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

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

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

13 whichever is later. The county assessor shall notify the county auditor  
14 **and the affected taxing units** that the assessment is under appeal. **The**  
15 **notice must include the appellant's name, address, and the assessed**  
16 **value for the assessment date the year before the appeal and the**  
17 **assessed value on the most recent assessment date.**

18 (c) A change in an assessment made as a result of an appeal filed:  
19 (1) in the same year that notice of a change in the assessment is  
20 given to the taxpayer; and  
21 (2) after the time prescribed in subsection (b);  
22 becomes effective for the next assessment date.

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

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

- 37 (1) The physical characteristics of the property in issue that bear
- 38 on the assessment determination.

- 1 (2) All other facts relevant to the assessment determination.
- 2 (3) The reasons why the petitioner believes that the assessment
- 3 determination by the township assessor is erroneous.
- 4 (f) The state board of tax commissioners shall prescribe a form for
- 5 a response by the township assessor to the petition for review of an
- 6 assessment determination. The board shall issue instructions for
- 7 completion of the form. The form must require the township assessor
- 8 to indicate:
  - 9 (1) agreement or disagreement with each item indicated on the
  - 10 petition under subsection (e); and
  - 11 (2) the reasons why the assessor believes that the assessment
  - 12 determination is correct.
- 13 (g) Immediately upon receipt of a timely filed petition on the form
- 14 prescribed under subsection (e), the county assessor shall forward a
- 15 copy of the petition to the township assessor who made the challenged
- 16 assessment. The township assessor shall, within thirty (30) days after
- 17 the receipt of the petition, attempt to hold a preliminary conference
- 18 with the petitioner and resolve as many issues as possible. Within ten
- 19 (10) days after the conference, the township assessor shall forward to
- 20 the county auditor and county assessor a completed response to the
- 21 petition on the form prescribed under subsection (f). The county
- 22 assessor shall immediately forward a copy of the response form to the
- 23 petitioner and the county property tax assessment board of appeals. If
- 24 the county auditor determines that the appealed items on which there
- 25 is disagreement constitute at least one percent (1%) of the total gross
- 26 certified assessed value of the immediately preceding year for any
- 27 particular unit, the county auditor shall immediately notify the fiscal
- 28 officer of the unit. If after the conference there are items listed in the
- 29 petition on which there is disagreement, the property tax assessment
- 30 board of appeals shall hold a hearing within ninety (90) days of the
- 31 filing of the petition on those items of disagreement, **except as**
- 32 **provided in subsection (h).** The taxpayer may present the taxpayer's
- 33 reasons for disagreement with the assessment. The township assessor
- 34 or county assessor for the county must present the basis for the
- 35 assessment decision on these items to the board of appeals at the
- 36 hearing and the reasons the petitioner's appeal should be denied on
- 37 those items. The board of appeals shall have a written record of the
- 38 hearing and prepare a written statement of findings and a decision on

1 each item within sixty (60) days of the hearing. If the township assessor  
2 does not attempt to hold a preliminary conference, the board shall  
3 accept the appeal of the petitioner at the hearing.

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

8 SECTION 19. IC 6-1.1-15-4, AS AMENDED BY P.L.6-1997,  
9 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JANUARY 1, 1999]: Sec. 4. (a) After receiving a petition for review  
11 which is filed under section 3 of this chapter, the division of appeals of  
12 the state board of tax commissioners shall conduct a hearing at its  
13 earliest opportunity. In addition, the division of appeals of the state  
14 board may assess the property in question, correcting any errors which  
15 may have been made. The division of appeals of the state board shall  
16 give notice of the date fixed for the hearing, by mail, to the taxpayer  
17 and to the appropriate township assessor, county assessor, and county  
18 auditor, **and the affected taxing units.** The division of appeals of the  
19 state board shall give these notices at least ten (10) days before the day  
20 fixed for the hearing. **The notice must include the appellant's name,**  
21 **address, and the assessed value for the assessment date the year**  
22 **before the appeal and the assessed value on the most recent**  
23 **assessment date.**

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

35 (c) The state board of tax commissioners shall prescribe a form for  
36 use in processing petitions for review of actions by the county property  
37 tax assessment board of appeals. The state board shall issue  
38 instructions for completion of the form. The form must require the

1 division of appeals of the state board to indicate agreement or  
2 disagreement with each item that is:

- 3 (1) indicated on the petition submitted under section 1(e) of this  
4 chapter;  
5 (2) included in the township assessor's response under section  
6 1(g) of this chapter; and  
7 (3) included in the county property tax assessment board of  
8 appeals' findings, record, and determination under section 2.1(d)  
9 of this chapter.

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

13 (d) After the hearing the division of appeals of the state board shall  
14 give the petitioner, the township assessor, the county assessor, ~~and~~ the  
15 county auditor, **and the affected taxing units:**

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

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

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

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

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

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

12 SECTION 20. IC 6-1.1-15-5, AS AMENDED BY P.L.6-1997,  
 13 SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JANUARY 1, 1999]: Sec. 5. (a) Within fifteen (15) days after the  
 15 division of appeals of the state board of tax commissioners gives notice  
 16 of its final determination under section 4 of this chapter to the party or  
 17 the maximum allowable time for the issuance of a determination by the  
 18 division of appeals under section 4 of this chapter expires, a party to  
 19 the proceeding may request a rehearing before the board. The board  
 20 may conduct a rehearing and affirm or modify its final determination,  
 21 giving the same notices after the rehearing as are required by section  
 22 4 of this chapter. The state board of tax commissioners has thirty (30)  
 23 days after receiving a petition for a rehearing to determine whether to  
 24 grant a rehearing. Failure to grant a rehearing within thirty (30) days  
 25 after receiving the petition shall be treated as a final determination to  
 26 deny the petition. A petition for a rehearing does not toll the time in  
 27 which to file a petition for judicial review unless the petition for  
 28 rehearing is granted. If the state board of tax commissioners determines  
 29 to rehear a final determination of the division of appeals, the state  
 30 board of tax commissioners:

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

37 Failure of the state board of tax commissioners to make a determination  
 38 within the time allowed under subdivision (2) shall be treated as a final

1 determination affirming the decision of the division of appeals.

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

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

9 (1) file a written notice with the state board of tax commissioners  
10 informing the board of his intention to appeal;

11 (2) file a complaint in the tax court; and

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

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

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

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

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

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

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

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

38 (2) an amount equal to ten percent (10%) of the aggregate tax

1 levies of ~~all~~ **any** taxing ~~units~~ **unit** in the county for that year;  
 2 whichever is less, the county executive ~~may~~ **shall** take an appeal to the  
 3 tax court in the manner prescribed in this section ~~but only~~ upon request  
 4 by the county assessor **or a majority of the affected taxing units or**  
 5 **by a taxing unit or group of taxing units, if the taxing unit or group**  
 6 **of taxing units represent at least fifty percent (50%) of the total tax**  
 7 **levies in the taxing district.**

8 SECTION 21. IC 6-1.1-15-6 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 6. (a) If an appeal  
 10 is initiated by a person under section 5 of this chapter, the secretary of  
 11 the state board of tax commissioners shall prepare a certified ~~transcript~~  
 12 **record** of the proceedings related to the appeal. ~~However, the transcript~~  
 13 ~~shall not include the evidence compiled by the board with respect to the~~  
 14 ~~proceedings. The secretary of the board shall transmit the transcript to~~  
 15 ~~the clerk of the court designated by the appellant. The record must~~  
 16 **consist of the following documents:**

17 (1) **Copies of all papers submitted to the state board during**  
 18 **the course of the action together with copies of all papers**  
 19 **provided to the parties by the state board. The term**  
 20 **"papers" includes without limitation all notices, petitions,**  
 21 **motions, photographs, and other written documents.**

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

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

33 (b) **If a report of all or part of the evidence or proceedings at**  
 34 **the hearing conducted by the state board was not made, or if a**  
 35 **transcript is unavailable, a party to the appeal initiated under**  
 36 **section 5 of this chapter may prepare a statement of the evidence**  
 37 **or proceedings from the best available means, including the party's**  
 38 **recollection. The statement must be submitted to the Indiana tax**

1 court and must also be served on all other parties who may then  
2 serve objections or prepare amendments to the statement within  
3 ten (10) days after service.

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

10 SECTION 22. IC 6-1.1-15-9 IS AMENDED TO READ AS  
11 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 9. (a) If tangible  
12 property is reassessed by the state board of tax commissioners under  
13 section 8 of this chapter, the owner of the property has a right to appeal  
14 the board's final determination of the reassessment. In a case meeting  
15 the requirements of section 5(f)(1) or 5(f)(2) of this chapter, the county  
16 executive ~~also has a right to~~ shall appeal the board's final determination  
17 of the reassessment ~~but only~~ upon request by the county assessor **or a**  
18 **majority of the affected taxing units or by a taxing unit or group of**  
19 **taxing units, if the taxing unit or group of taxing units represents**  
20 **at least fifty percent (50%) of the total tax levies in the taxing**  
21 **district.**

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

24 SECTION 23. IC 6-1.1-15-10, AS AMENDED BY P.L.86-1995,  
25 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 JANUARY 1, 1999]: Sec. 10. (a) **This section applies to a petition**  
27 **for review to a board or an appeal to the tax court involving less**  
28 **than fifty thousand dollars (\$50,000) in property taxes resulting**  
29 **from an original assessment or an increase in an assessment.**

30 (a) (b) If a petition for review to any board or an appeal to the tax  
31 court regarding an assessment or increase in assessment is pending, the  
32 taxes resulting from the assessment or increase in assessment are,  
33 notwithstanding the provisions of IC 6-1.1-22-9, not due until after the  
34 petition for review, or the appeal, is finally adjudicated and the  
35 assessment or increase in assessment is finally determined. However,  
36 even though a petition for review or an appeal is pending, the taxpayer  
37 shall pay taxes on the tangible property when the property tax  
38 installments come due, unless the collection of the taxes is enjoined

1 pending an original tax appeal under IC 33-3-5. The amount of taxes  
2 which the taxpayer is required to pay, pending the final determination  
3 of the assessment or increase in assessment, shall be based on:

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

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

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

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

22 SECTION 24. IC 6-1.1-15-10.5 IS ADDED TO THE INDIANA  
23 CODE AS A NEW SECTION TO READ AS FOLLOWS  
24 [EFFECTIVE JANUARY 1, 1999]: **Sec. 10.5. (a) This section applies**  
25 **to a petition for review to a board or an appeal to the tax court**  
26 **involving at least fifty thousand dollars (\$50,000) in property taxes**  
27 **resulting from an original assessment or an increase in an**  
28 **assessment.**

29 (b) **If a petition for review to a board or an appeal to the tax**  
30 **court regarding an assessment or increase in assessment is**  
31 **pending, the taxes resulting from the assessment or increase in**  
32 **assessment may be paid. The county treasurer shall deposit the**  
33 **taxes attributable to the disputed part of the assessment in an**  
34 **interest bearing escrow account until after the petition for review,**  
35 **or the appeal, is finally adjudicated and the assessment or increase**  
36 **in assessment is finally determined. If it is an original assessment**  
37 **and the disputed part cannot be identified, the county treasurer**  
38 **shall deposit twenty percent (20%) of the property taxes in the**

1       escrow account. If it is an increase in an assessment and the  
2       disputed part cannot be identified, the county treasurer shall  
3       deposit all the property taxes attributable to the increase in the  
4       escrow account.

5               (c) A taxing unit may not expend property taxes held in escrow  
6       under this section.

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

14              (e) Interest accrued to property taxes held in escrow under this  
15       section belongs to the prevailing party upon the final determination  
16       of the assessment or increase in assessment.

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

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

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

28       SECTION 25. IC 6-1.1-15-11 IS AMENDED TO READ AS  
29       FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 11. (a) If a review  
30       or appeal authorized under this chapter results in a reduction of the  
31       amount of an assessment or if the state board of tax commissioners on  
32       its own motion reduces an assessment, the taxpayer is entitled to a  
33       credit in the amount of any overpayment of tax on the next successive  
34       tax installment, if any, due in that year. If, after the credit is given, a  
35       further amount is due the taxpayer, he may file a claim for the amount  
36       due. If the claim is allowed by the board of county commissioners, the  
37       county auditor shall, without an appropriation being required, pay the  
38       amount due the taxpayer. **However, if the amount due the taxpayer**

1 exceeds one hundred thousand dollars (\$100,000), the county  
 2 auditor may pay the amount due in not more than four (4) annual  
 3 installments to the extent the amount has not been deposited in an  
 4 escrow account under section 10.5 of this chapter. The county  
 5 auditor shall charge the amount refunded to the taxpayer against the  
 6 accounts of the various taxing units to which the overpayment has been  
 7 paid.

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

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

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

22 (1) information concerning the assessed valuation in the political  
 23 subdivision for the next calendar year;

24 (2) an estimate of the taxes to be distributed to the political  
 25 subdivision during the last six (6) months of the current calendar  
 26 year;

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

29 (4) the appellant's name, address, and the assessed value for  
 30 the assessment date the year before the appeal and the  
 31 assessed value on the most recent assessment date for each  
 32 petition for review filed with any board or an appeal to the  
 33 tax court for petitions and appeals as of July 15;

34 ~~(4)~~ (5) the average growth in assessed valuation in the political  
 35 subdivision over the preceding three (3) budget years, excluding  
 36 years in which a general reassessment occurs, determined  
 37 according to procedures established by the state board of tax  
 38 commissioners; and

1           ~~(5)~~ (6) any other information at the disposal of the county auditor  
2           that might affect the assessed value used in the budget adoption  
3           process.

4           (b) The estimate of taxes to be distributed shall be based on:  
5                 (1) the abstract of taxes levied and collectible for the current  
6                 calendar year, less any taxes previously distributed for the  
7                 calendar year; and

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

10           (c) The fiscal officer of each political subdivision shall present the  
11           county auditor's statement to the proper officers of the political  
12           subdivision.

13           SECTION 27. IC 6-1.1-17-2.5 IS ADDED TO THE INDIANA  
14           CODE AS A NEW SECTION TO READ AS FOLLOWS  
15           [EFFECTIVE JANUARY 1, 1999]: **Sec. 2.5. (a) When certifying the**  
16           **assessed value of a political subdivision for budget making**  
17           **purposes, the county auditor shall exclude:**

- 18                 **(1) appealed assessed value; and**
- 19                 **(2) assessed value of property that is part of a bankruptcy**  
20                 **estate, if the county auditor determines that the property**  
21                 **taxes will be uncollectible if assessed.**

22           **The amount to be excluded under subdivision (1) is the difference**  
23           **in the assessed value for the assessment date the year before the**  
24           **assessment appeal and the assessed value on the most recent**  
25           **assessment date as certified by the county auditor under**  
26           **IC 6-1.1-17-1. If the appeal concerns the assessment of new**  
27           **property, the amount of assessed value to be excluded is only the**  
28           **amount subject to appeal as estimated by the county assessor.**

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

33           SECTION 28. IC 6-1.1-28-1, AS AMENDED BY P.L.6-1997,  
34           SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
35           JANUARY 1, 1999]: Sec. 1. Each county shall have a county property  
36           tax assessment board of appeals composed of individuals who are at  
37           least eighteen (18) years of age and knowledgeable in the valuation of  
38           property. **Except for the county assessor, an individual who is an**

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

23       SECTION 29. IC 6-1.1-31-1 IS AMENDED TO READ AS  
 24       FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 1. (a) The state  
 25       board of tax commissioners shall do the following:

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

1           **IC 6-1.1-12-22.**

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

5           Page 12, line 3, after "data" insert "**at the time the rules are**  
6 **adopted**".

7           Page 12, line 33, after "data" insert "**at the time the rules are**  
8 **adopted**".

9           Page 13, line 25, after "standards" insert ", **beginning in 2001**".

10          Page 13, line 29, after "IC 6-1.1-4-13.6" insert "**beginning in**  
11 **2001**".

12          Page 13, line 32, after "IC 6-1.1-31-7" insert ", **beginning in**  
13 **2001**".

14          Page 13, line 34, after "IC 6-1.1-4-13" insert ", **beginning in**  
15 **2001**".

16          Page 14, line 1, after "available" insert "**at the time the rules are**  
17 **adopted**".

18          Page 14, line 40, delete "1999" and insert "**2001**".

19          Page 15, between lines 18 and 19, begin a new paragraph and  
20 insert:

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

25          Page 15, line 30, after "examination." insert "**The state board of**  
26 **tax commissioners shall hold a hearing to consider all the evidence**  
27 **about the fraud or misrepresentation before revoking the**  
28 **individual's certification.**".

29          Page 15, between lines 30 and 31, begin a new paragraph and  
30 insert:

31           "SECTION 25. IC 6-6-5-7, AS AMENDED BY P.L.43-1994,  
32 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
33 JULY 1, 1998]: Sec. 7. (a) In respect to a vehicle that has been  
34 acquired, or brought into the state, or for any other reason becomes  
35 subject to registration after the regular annual registration date in the  
36 year on or before which the owner of the vehicle is required, under the  
37 motor vehicle registration laws of Indiana, to register vehicles, the tax  
38 imposed by this chapter shall become due and payable at the time the

1 vehicle is acquired, brought into the state, or otherwise becomes  
 2 subject to registration and the amount of tax to be paid by the owner for  
 3 the remainder of the year shall be reduced by ten percent (10%) for  
 4 each full calendar month that has elapsed since the regular annual  
 5 registration date in the year fixed by the motor vehicle registration laws  
 6 for annual registration by the owner. The tax shall be paid at the time  
 7 of the registration of the vehicle.

8 (b) In the case of a vehicle that is acquired, or brought into the  
 9 state, or for any other reason becomes subject to registration after  
 10 January 1 of any year, then the owner may pay the applicable  
 11 registration fee on the vehicle as provided in the motor vehicle  
 12 registration laws and any excise tax due on the vehicle for the  
 13 remainder of the annual registration year and simultaneously register  
 14 the vehicle and pay the applicable registration fee and the excise tax  
 15 due for the next succeeding annual registration year.

16 (c) Except as provided in subsection (f), no reduction in the  
 17 applicable annual excise tax will be allowed to an Indiana resident  
 18 applicant upon registration of any vehicle that was owned by the  
 19 applicant on or prior to the registrant's annual registration period. A  
 20 vehicle owned by an Indiana resident applicant that was located in and  
 21 registered for use in another state during the same calendar year shall  
 22 be entitled to the same reduction when registered in Indiana.

23 (d) The owner of a vehicle who sells the vehicle in a year in which  
 24 the owner has paid the tax imposed by this chapter shall receive a  
 25 credit equal to the remainder of:

- 26 (1) the tax paid for the vehicle; reduced by
- 27 (2) ten percent (10%) for each full or partial calendar month that
- 28 has elapsed in the registrant's annual registration year before the
- 29 date of the sale.

30 The credit shall be applied to the tax due on any other vehicle  
 31 purchased or subsequently registered by the owner in the same  
 32 registrant's annual registration year. If the credit is not fully used and  
 33 the amount of the credit remaining is at least four dollars (\$4), the  
 34 owner is entitled to a refund in the amount of the unused credit. The  
 35 owner must pay a fee of three dollars (\$3) to the bureau to cover costs  
 36 of providing the refund, which may be deducted from the refund. ~~The~~  
 37 ~~bureau shall transfer to the county that will issue the refund one dollar~~  
 38 ~~and fifty cents (\$1.50) of the fee to cover the county's costs in~~

1 ~~processing the refund.~~ **The bureau shall issue the refund.** The bureau  
 2 shall transfer to the bureau of motor vehicles commission ~~one dollar~~  
 3 ~~and fifty cents (\$1.50)~~ **three dollars (\$3)** of the fee to cover the  
 4 commission's costs in processing the refund. To claim the credit and  
 5 refund provided by this subsection, the owner of the vehicle must  
 6 present to the bureau proof of sale of the vehicle.

7 (e) Subject to the requirements of subsection (g), the owner of a  
 8 vehicle that is destroyed in a year in which the owner has paid the tax  
 9 imposed by this chapter, which vehicle is not replaced by a  
 10 replacement vehicle for which a credit is issued under this section,  
 11 shall receive a refund in an amount equal to ten percent (10%) of the  
 12 tax paid for each full calendar month remaining in the registrant's  
 13 annual registration year after the date of destruction, but only upon  
 14 presentation or return to the bureau of the following:

- 15 (1) A request for refund on a form furnished by the bureau.
- 16 (2) A statement of proof of destruction on an affidavit furnished  
 17 by the bureau.
- 18 (3) The license plate from the vehicle.
- 19 (4) The registration from the vehicle.

20 However, the refund may not exceed ninety percent (90%) of the tax  
 21 paid on the destroyed vehicle. The amount shall be refunded by a  
 22 warrant issued by the auditor of the county that received the excise tax  
 23 revenue and shall be paid out of the special account created for  
 24 settlement of the excise tax collections under IC 6-6-5-10. For purposes  
 25 of this subsection, a vehicle is considered destroyed if the cost of repair  
 26 of damages suffered by the vehicle exceeds the vehicle's fair market  
 27 value.

28 (f) If the name of the owner of a vehicle is legally changed and the  
 29 change has caused a change in the owner's annual registration date, the  
 30 excise tax liability of the owner shall be adjusted as follows:

- 31 (1) If the name change requires the owner to register sooner than  
 32 the owner would have been required to register if there had been  
 33 no name change, the owner shall, at the time the name change is  
 34 reported, be authorized a refund from the county treasurer in the  
 35 amount of the product of:
  - 36 (A) ten percent (10%) of the owner's last preceding annual  
 37 excise tax liability; and
  - 38 (B) the number of full calendar months between the owner's

1 new regular annual registration month and the next  
2 succeeding regular annual registration month that is based  
3 on the owner's former name.

4 (2) If the name change required the owner to register later than  
5 the owner would have been required to register if there had been  
6 no name change, the vehicle shall be subject to excise tax for the  
7 period between the month in which the owner would have been  
8 required to register if there had been no name change and the  
9 new regular annual registration month in the amount of the  
10 product of:

- 11 (A) ten percent (10%) of the owner's excise tax liability
- 12 computed as of the time the owner would have been
- 13 required to register if there had been no name change; and
- 14 (B) the number of full calendar months between the month
- 15 in which the owner would have been required to register if
- 16 there had been no name change and the owner's new regular
- 17 annual registration month.

18 (g) In order to claim a credit under subsection (e) for a vehicle that  
19 is destroyed, the owner of the vehicle must present to the bureau of  
20 motor vehicles a valid registration for the vehicle within ninety (90)  
21 days of the date that it was destroyed. The bureau shall then fix the  
22 amount of the credit that the owner is entitled to receive.

23 SECTION 26. IC 6-6-5-9, AS AMENDED BY P.L.62-1996,  
24 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
25 JULY 1, 1998]: Sec. 9. (a) The bureau, in the administration and  
26 collection of the annual license excise tax imposed by this chapter, may  
27 utilize the services and facilities of license branches operated under  
28 IC 9-16 in its administration of the motor vehicle registration laws of  
29 the state of Indiana. The license branches may be so utilized in  
30 accordance with such procedures, in such manner, and to such extent  
31 as the bureau shall deem necessary and proper to implement and  
32 effectuate the administration and collection of the excise tax imposed  
33 by this chapter. However, in the event the bureau shall utilize such  
34 license branches in the collection of excise tax, the following apply:

- 35 (1) The excise taxes so collected by each license branch, **less**
- 36 **any refunds made by the license branch**, shall be deposited
- 37 daily by the license branch in a separate account in a depository
- 38 duly designated by the state board of finance. The county

1 treasurer of the county for which the collections are due may  
2 withdraw funds from the account at least two (2) times each  
3 week. The county treasurer is responsible for the safekeeping  
4 and investment of money withdrawn by the county treasurer  
5 under this subsection. Before the eleventh day of the month  
6 following the month in which the collections are made, the  
7 bureau of motor vehicles shall report the excise taxes collected  
8 **and refunds made** outside the county to the county treasurer of  
9 the county to which the collections are due **and the refunds**  
10 **apply**. The bureau shall forward a copy of this excise tax report  
11 to the county auditor of the county.

12 (2) A license branch shall each week forward a report to the  
13 county auditor of the county to whom the collections are due,  
14 showing the excise tax collected on each vehicle, **each refund**  
15 **on a vehicle**, and a copy of each registration certificate for all  
16 collections **and refunds** within the county.

17 (3) Each license branch shall also report to the bureau all excise  
18 taxes collected **and refunds made** under this chapter in the same  
19 manner and at the same time as registration fees are reported.

20 (4) Premiums for insurance to protect the funds collected by  
21 license branches against theft shall be paid by the bureau, except  
22 that the bureau may issue blanket coverage for all branches at its  
23 discretion. At the discretion of the bureau, the bureau may:

24 (A) self-insure to cover the activities of the license  
25 branches; or

26 (B) rather than purchase a bond or crime policy for each  
27 branch, purchase a single blanket bond or crime insurance  
28 policy endorsed to include faithful performance to cover all  
29 branches.

30 (5) If the services of a license branch are used by the bureau in  
31 the collection of the excise tax imposed by this chapter, the  
32 license branch shall collect the service charge prescribed under  
33 IC 9-29 for each vehicle registered upon which an excise tax is  
34 collected by that branch.

35 (6) If the excise tax imposed by this chapter is collected by the  
36 department of state revenue, the money collected shall be  
37 deposited in the state general fund to the credit of the appropriate  
38 county and reported to the bureau of motor vehicles on the first

1 working day following the week of collection. Any amount  
 2 collected by the department which represents interest or a  
 3 penalty shall be retained by the department and used to pay its  
 4 costs of enforcing this chapter.

5 The bureau may contract with a bank card or credit card vendor for  
 6 acceptance of bank or credit cards. However, if there is a vendor  
 7 transaction charge or discount fee, whether billed to the bureau or  
 8 charged directly to the bureau's account, the bureau shall collect from  
 9 the person using the card an official fee that may not exceed the highest  
 10 transaction charge or discount fee charged to the bureau by bank or  
 11 credit card vendors during the most recent collection period. This fee  
 12 may be collected regardless of retail merchant agreements between the  
 13 bank and credit card vendors that may prohibit such a fee. The fee is a  
 14 permitted additional charge under IC 24-4.5-3-202.

15 (b) On or before April 1 of each year the bureau shall provide to  
 16 the auditor of state the amount of motor vehicle excise taxes collected  
 17 for each county for the preceding year.

18 (c) On or before May 10 and November 10 of each year the auditor  
 19 of state shall distribute to each county one-half (1/2) of the amount of  
 20 delinquent taxes that have been credited to the county under subsection  
 21 (a). There is appropriated from the state general fund the amount  
 22 necessary to make the distributions required by this subsection. The  
 23 county auditor shall apportion and distribute the delinquent tax  
 24 distributions to the taxing units in the county at the same time and in  
 25 the same manner as excise taxes are apportioned and distributed under  
 26 section 10 of this chapter.

27 (d) The commissioner of insurance shall prescribe the form of the  
 28 bonds or crime policies required by this section.

29 SECTION 27. IC 6-6-5-10.4 IS AMENDED TO READ AS  
 30 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 10.4. The county  
 31 auditor, shall from the copies of the registration forms furnished by the  
 32 bureau, verify and determine the total amount of excise taxes collected  
 33 for each taxing unit in the county. The bureau shall ~~assist the county~~  
 34 ~~auditor in verifying~~ **verify** the collections reported by the branches ~~by~~  
 35 ~~providing and provide the county auditor~~ **adequate and accurate**  
 36 **audit information, registration form information,** records, and  
 37 materials to support the proper assessment, ~~and~~ collection, **and refund**  
 38 of excise taxes."

1           Page 15, between lines 39 and 40, begin a new paragraph and  
2 insert:

3           "SECTION 29. IC 36-4-10-5 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 5. (a) This section  
5 applies to second class cities.

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

- 8           (1) Prescribe the form of reports and accounts to be submitted to  
9           the department.
- 10           (2) Sign and issue all warrants on the city treasury.
- 11           (3) Audit and revise all accounts and trusts in which the city is  
12           concerned.
- 13           (4) Keep separate accounts for each item of appropriation made  
14           for each city department, including a statement showing the  
15           amount drawn on each appropriation, the unpaid contracts  
16           charged against it, and the balance remaining.
- 17           (5) At the end of each fiscal year, submit under oath to the city  
18           legislative body a report of the accounts of the city published in  
19           pamphlet form and showing revenues, receipts, expenditures,  
20           and the sources of revenues.
- 21           (6) Maintain custody of the records of the department and turn  
22           them over to the fiscal officer's successor in office.
- 23           (7) Perform duties prescribed by statute concerning the  
24           negotiation of city bonds, notes, and warrants.
- 25           (8) Keep a register of bonds of the city and of transfers of those  
26           bonds.
- 27           (9) Manage the finances and accounts of the city and make  
28           investments of city money, subject to the ordinances of the  
29           legislative body.
- 30           (10) Issue city licenses on payment of the license fee.
- 31           (11) Collect fees as fixed by ordinance.
- 32           (12) Pay into the city treasury, once each week, all fees and other  
33           city money collected by the department during the preceding  
34           week, specifying the source of each item.
- 35           (13) Prescribe payroll and account forms for all city offices.
- 36           (14) Prescribe the manner in which salaries shall be drawn.
- 37           (15) Prescribe the manner in which creditors, officers, and  
38           employees shall be paid.

1 (16) Provide that all salaries are payable monthly, unless the  
2 legislative body establishes more frequent payments.

3 (17) Notify the city executive of the failure of any city officer to  
4 collect money due the city or to pay city money into the city  
5 treasury.

6 (18) Draw warrants on the city treasury for miscellaneous city  
7 expenditures not made under the direction of a department and  
8 not specifically fixed by statute.

9 **(19) Examine for proper form concerning city taxes the tax  
10 duplicates held by the county auditor and county treasurer.**

11 **(20) Examine property tax assessments for proper form  
12 concerning city taxes."**

13 Page 16, between lines 7 and 8, begin a new paragraph and insert:  
14 "SECTION 31. [EFFECTIVE JULY 1, 1998] **IC 6-1.1-10-42, as  
15 added by this act, applies only to property taxes first due and  
16 payable after December 31, 1998.**

17 SECTION 32. [EFFECTIVE UPON PASSAGE] (a)  
18 **Notwithstanding any other law, before November 1, 1998, the  
19 county board of review shall review each property tax exemption  
20 that was granted in 1996 and 1997.**

21 (b) **The county board of review shall determine if the exempt  
22 property still meets exemption criteria.**

23 (c) **If the exempt property no longer meets the criteria for the  
24 exemption, the county board of review shall:**

25 (1) **revoke the exemption; and**

26 (2) **inform the county auditor.**

27 **Upon receiving a notice from the county board of review under this  
28 subsection, the county auditor shall notify the owner of the  
29 property by mail. Within thirty (30) days after the notice is mailed,  
30 the owner may, in the manner prescribed by IC 6-1.1-15-3, petition  
31 the state board of tax commissioners to review the revocation  
32 decision of the county board of review.**

33 (d) **This SECTION expires January 1, 1999.**

34 SECTION 33. [EFFECTIVE JANUARY 1, 1998  
35 (RETROACTIVE)] **IC 6-1.1-10-16.5, as added by this act, applies to  
36 property taxes first due and payable after December 31, 1998.**

37 SECTION 34. [EFFECTIVE JANUARY 1, 1999] **IC 6-1.1-15-1,  
38 IC 6-1.1-15-4, IC 6-1.1-15-5, IC 6-1.1-15-9, IC 6-1.1-15-10,**

- 1 **IC 6-1.1-15-11, and IC 6-1.1-17-1, all as amended by this act, and**
- 2 **IC 6-1.1-15-10.5 and IC 6-1.1-17-2.5, both as added by this act,**

1       **apply to property taxes first due and payable after December 31,**  
2       **1998."**

3           Renumber all SECTIONS consecutively.  
            (Reference is to HB 1396 as introduced.)

**and when so amended that said bill do pass.**

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Representative Bauer