

SENATE BILL No. 191

DIGEST OF INTRODUCED BILL

Citations Affected: IC 13-21-3; IC 13-21-13-1.

Synopsis: Solid waste management district financing. Provides that if the total balances in the noncapital funds of a solid waste management district exceed 25% of the district's total annual budget, the excess shall be used to provide property tax replacement credits to taxpayers in civil taxing units and school corporations located within the district. For counties other than LaPorte County, reduces the maximum fee that a solid waste district may impose on the disposal of solid waste in a final disposal facility to \$1 per ton for 1999 and \$0.50 per ton for 2000 and thereafter.

Effective: July 1, 1998; January 1, 1999.

Gard

January 6, 1998, read first time and referred to Committee on Finance.



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.

SENATE BILL No. 191

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 13-21-3-13.7 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JANUARY 1, 1999]: **Sec. 13.7. (a) This section does**
4 **not apply to balances in the following funds:**
5 (1) **A nonreverting capital fund established under section**
6 **12(24) of this chapter.**
7 (2) **A fund established under IC 13-21-7-8.**
8 (3) **The waste management district bond fund established**
9 **under IC 13-21-7-10.**
10 (4) **A fund established to secure the payment of principal and**
11 **interest under IC 13-21-12-1(12).**
12 (5) **Any other fund or revenue pledged to the payment of**
13 **principal or interest on any bonds issued under this article.**
14 **(b) At the end of each year, a district shall do the following:**
15 (1) **Calculate the sum of the balances determined under**
16 **section 13.5(b)(1)(D) of this chapter for all of the district's**
17 **funds other than the funds specified in subsection (a).**



1 (2) If the sum determined under subdivision (1) exceeds
 2 twenty-five percent (25%) of the district's total annual budget
 3 for the year, the district shall transfer the excess to the
 4 auditor of the county in which the district is located to provide
 5 property tax replacement credits to taxpayers in civil taxing
 6 units and school corporations located within the district. In
 7 the case of a district located in more than one (1) county, the
 8 excess shall be transferred to the auditor of each county in
 9 which the district is located, in proportion to the property
 10 taxes paid to the district by the taxpayers of each county.

11 SECTION 2. IC 13-21-3-13.8 IS ADDED TO THE INDIANA
 12 CODE AS A NEW SECTION TO READ AS FOLLOWS
 13 [EFFECTIVE JANUARY 1, 1999]: **Sec. 13.8. (a) The amount**
 14 **transferred by a district to a county auditor under section 13.7 of**
 15 **this chapter shall, in the manner prescribed in this section, be**
 16 **allocated, distributed, and used by the civil taxing units and school**
 17 **corporations of the county as property tax replacement credits.**

18 **(b) The amount of property tax replacement credits that each**
 19 **civil taxing unit and school corporation in a county is entitled to**
 20 **receive during a calendar year under this section equals the**
 21 **product of:**

22 **(1) the amount transferred by a district under section 13.7 of**
 23 **this chapter to the auditor of the county for property tax**
 24 **replacement purposes for the year; multiplied by**

25 **(2) a fraction described as follows:**

26 **(A) The numerator of the fraction equals the sum of the**
 27 **total property taxes collected by the civil taxing unit or**
 28 **school corporation during the previous calendar year from**
 29 **taxpayers located within the district.**

30 **(B) The denominator of the fraction equals the sum of the**
 31 **total property taxes collected by all civil taxing units and**
 32 **school corporations during the previous year from**
 33 **taxpayers located within the district.**

34 **(c) The state board of tax commissioners shall inform each**
 35 **county auditor of the amount of property tax replacement credits**
 36 **that each civil taxing unit and school corporation in the county is**
 37 **entitled to receive under this section. The county auditor shall**
 38 **certify to each civil taxing unit and school corporation the amount**
 39 **of property tax replacement credits that the civil taxing unit or**
 40 **school corporation is entitled to receive during that calendar year.**
 41 **The county auditor shall also certify these amounts to the county**
 42 **treasurer.**



1 (d) A civil taxing unit or school corporation receiving property
 2 tax replacement credits under this section shall allocate the credits
 3 among each fund for which a distinct property tax levy is imposed.
 4 The amount that must be allocated to each fund equals:

5 (1) the amount of property tax replacement credits provided
 6 to the civil taxing unit or school corporation under subsection
 7 (b); multiplied by

8 (2) the amount determined in STEP THREE of the following
 9 formula:

10 STEP ONE: Determine the property taxes collected for
 11 each fund by the civil taxing unit or school corporation
 12 during the previous calendar year.

13 STEP TWO: Determine the sum of the total property taxes
 14 collected for all funds by the civil taxing unit or school
 15 corporation during the previous calendar year.

16 STEP THREE: Divide the STEP ONE amount by the
 17 STEP TWO amount.

18 If a civil taxing unit or a school corporation receiving property tax
 19 replacement credits under this section does not impose a property
 20 tax levy for a particular fund that is first due and payable in a
 21 calendar year in which the property tax replacement credits are
 22 being distributed, the civil taxing unit or school corporation is not
 23 required to allocate to that fund a part of the property tax
 24 replacement credits to be distributed to the civil taxing unit or
 25 school corporation.

26 (e) For each civil taxing unit or school corporation that receives
 27 property tax credits under this section, the state board of tax
 28 commissioners shall certify to the auditor of each county in which
 29 the civil taxing unit or school corporation is located the property
 30 tax rate applicable to each fund after the property tax replacement
 31 credits have been allocated.

32 (f) A civil taxing unit or school corporation shall treat property
 33 tax replacement credits received during a particular calendar year
 34 under this section as a part of the civil taxing unit's or school
 35 corporation's property tax levy for each fund for that same
 36 calendar year for purposes of fixing the civil taxing unit's or school
 37 corporation's budget and for purposes of the property tax levy
 38 limits imposed by IC 6-1.1-18.5 or IC 6-1.1-19.

39 (g) The property tax replacement credits that are received
 40 under this section do not reduce the total county tax levy that is
 41 used to compute the state property tax replacement credit under
 42 IC 6-1.1-21. For the purpose of computing and distributing the



1 **excise taxes under IC 6-6-5, the property tax replacement credits**
 2 **that are received under this section shall be treated as though they**
 3 **were property taxes that were due and payable during that same**
 4 **calendar year.**

5 SECTION 3. IC 13-21-13-1, AS AMENDED BY P.L.45-1997,
 6 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 1998]: Sec. 1. (a) A board may impose fees on the disposal of
 8 solid waste in a final disposal facility located within the district. A fee
 9 imposed by a board in a county with a population of more than one
 10 hundred seven thousand (107,000) and less than one hundred eight
 11 thousand (108,000) under this section may not exceed two dollars and
 12 fifty cents (\$2.50) a ton. A fee imposed by a board in other counties
 13 under this section may not exceed **the following:**

14 **(1) Before January 1, 1999, the greater of:**

15 ~~(1)~~ **(A)** two dollars and fifty cents (\$2.50) a ton; or

16 ~~(2)~~ **(B)** the amount of a fee imposed by the board:

17 ~~(A)~~ **(i)** under this section; and

18 ~~(B)~~ **(ii)** in effect on January 1, 1993.

19 **whichever is greater.**

20 **(2) One dollar (\$1) a ton during 1999.**

21 **(3) Fifty cents (\$0.50) a ton after December 31, 1999.**

22 (b) The board shall do the following:

23 (1) Set the amount of fees imposed under this section after a
 24 public hearing.

25 (2) Give public notice of the hearing.

26 (c) If solid waste has been subject to a district fee under this section,
 27 the total amount of the fee that was paid shall be credited against a
 28 district fee to which the solid waste may later be subject under this
 29 section.

30 (d) Except as provided in section 4 of this chapter, fees imposed
 31 under this chapter shall be imposed uniformly on public facilities and
 32 on privately owned or operated facilities throughout the district.

33 (e) A resolution adopted by a board that establishes fees under this
 34 chapter may contain a provision that authorizes the board to impose a
 35 penalty of not more than five hundred dollars (\$500) per day because
 36 of:

37 (1) nonpayment of fees; or

38 (2) noncompliance with a condition in the resolution.

39 (f) A board may not impose fees for material used as alternate daily
 40 cover pursuant to a permit issued by the department under 329
 41 IAC 10-20-13.

42 SECTION 4. [EFFECTIVE JANUARY 1, 1999] **Property tax**



1 **replacement credits provided by IC 13-21-3-13.8, as added by this**
2 **act, apply only to property taxes first due and payable after**
3 **December 31, 1998.**

