

SENATE BILL No. 417

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-21.2.

Synopsis: Payment in lieu of property taxes. Provides that the department of natural resources shall make a semi-annual payment in lieu of property taxes (PILOT) for land owned or leased by the department of natural resources, except for land used as a state park. Provides that the legislative body of a county and the board of directors of a conservancy district may collect a PILOT. Provides that for purposes of calculating a PILOT, the land is considered to have an assessed value of \$165 per acre. Makes an appropriation for a PILOT from the state general fund.

Effective: March 1, 1998 (retroactive); July 1, 1998.

Waterman

January 13, 1998, read first time and referred to Committee on Finance.

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Introduced

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.

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SENATE BILL No. 417

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

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

1 SECTION 1. IC 6-1.1-21.2 IS ADDED TO THE INDIANA CODE
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 MARCH 1, 1998 (RETROACTIVE)]:

4 **Chapter 21.2. Distributions in Lieu of Property Taxes**

5 **Sec. 1. The general assembly finds the following:**

- 6 (1) That the tax base of counties and certain special taxing
7 districts has been significantly eroded through the acquisition
8 by the department of natural resources of land that was
9 originally subject to property taxation.
10 (2) That to restore this tax base and provide a proper
11 allocation of the cost of providing governmental services, the
12 following are authorized to collect payments in lieu of taxes
13 from the department of natural resources:
14 (A) The legislative body of a county.
15 (B) The board of directors of a conservancy district
16 established under IC 14-33-2.
17 (3) That the appropriate maximum payment in lieu of taxes is



1 the amount of property taxes paid if the land is taxed as
2 agricultural land.

3 **Sec. 2.** As used in this chapter, "department" refers to the
4 department of natural resources.

5 **Sec. 3.** As used in this chapter, "PILOT" refers to a payment in
6 lieu of taxes.

7 **Sec. 4. (a)** This section does not apply to property owned or
8 leased by the department and used as a state park.

9 **(b)** The department shall make a PILOT on May 1 and
10 November 1 of each year with respect to land that is:

11 **(1)** owned by or leased by the department on March 1 of the
12 previous year; and

13 **(2)** subject to an exemption from property taxes.

14 **Sec. 5.** The PILOT paid under section 4 of this chapter equals
15 the amount of property taxes that would have been levied upon the
16 land described in section 4(b) of this chapter using an assessed
17 value of one hundred sixty-five dollars (\$165) per acre, regardless
18 of how the land is used.

19 **Sec. 6.** Not later than September 1 of each year, the auditor of
20 state shall provide the township assessor of each township in which
21 land described in section 4(b) of this chapter is located with a
22 report of:

23 **(1)** the number of acres of land described in section 4(b) of
24 this chapter that are located in the township; and

25 **(2)** any other information required by the state board of tax
26 commissioners;

27 on a form prescribed by the state board of tax commissioners.
28 However, with the consent of the state board of tax commissioners,
29 the auditor of state may distribute the information required under
30 this section in an electronic format.

31 **Sec. 7.** A PILOT is billed, due, bears interest if unpaid, and
32 distributed to a political subdivision within a county in the same
33 manner as ad valorem taxes on property. A PILOT is treated in the
34 same manner as a property tax for purposes of the procedural and
35 substantive provisions of law.

36 **Sec. 8.** The state board of tax commissioners shall prescribe a
37 form for the transfer of information required under section 6 of
38 this chapter. The state board of tax commissioners may adopt
39 standards for the transfer of information under section 6 of this
40 chapter that are necessary to assist townships, counties, and
41 conservancy districts with the implementation of this chapter.

42 **Sec. 9. (a)** The PILOT transfer fund is established for the



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1 purpose of providing money for the distributions made under
2 section 4 of this chapter of payments from the department in lieu
3 of property taxes. The fund is administered by the auditor of state.

4 (b) Expenses of administering the fund are paid from money in
5 the fund.

6 (c) The treasurer of state shall invest the money in the fund not
7 currently needed to meet the obligations of the fund in the same
8 manner as other public money may be invested.

9 (d) Money in the fund at the end of a state fiscal year does not
10 revert to the state general fund.

11 Sec. 10. There is annually appropriated from the state general
12 fund to the PILOT transfer fund the amount necessary to make the
13 distributions required by this chapter.

14 Sec. 11. There is continuously appropriated from the PILOT
15 transfer fund an amount necessary to make the distributions
16 required by this chapter.

17 SECTION 2. [EFFECTIVE JULY 1, 1998] (a) Notwithstanding
18 IC 6-1.1-21.2, as added by this act, a PILOT (as defined in
19 IC 6-1.1-21.2-3, as added by this act) is initially due for property
20 taxes first due and payable after December 31, 1998.

21 (b) In cooperation with the auditor of state, the state board of
22 tax commissioners shall prescribe, not later than August 1, 1998,
23 a form for the auditor of state to report the information needed to
24 carry out IC 6-1.1-21.2-6, as added by this act.

25 (c) This SECTION expires December 31, 1999.

26 SECTION 3. An emergency is declared for this act.

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