



March 30, 1999

ENGROSSED HOUSE BILL No. 1005

DIGEST OF HB 1005 (Updated March 29, 1999 4:51 pm - DI 44)

Citations Affected: IC 6-1.1; IC 36-2; IC 36-4; IC 36-6; noncode.

Synopsis: Property tax assessment. Amends various provisions concerning real and personal property assessment, assessor training, land valuation, property tax exemptions, property tax appeals, property tax administration, and personal property tax abatements. Appropriates money to the state board of tax commissioners to eliminate its backlog of appeals.

Effective: January 1, 1999 (retroactive); upon passage; July 1, 1999; January 1, 2000; January 1, 2001; March 1, 2001; January 1, 2003.

Bauer, Goeglein, Scholer, Klinker

(SENATE SPONSORS — BORST, HUME)

January 27, 1999, read first time and referred to Committee on Ways and Means.
February 11, 1999, amended, reported — Do Pass.
February 18, 1999, read second time, amended, ordered engrossed.
February 19, 1999, engrossed.
February 22, 1999, read third time, passed. Yeas 81, nays 16.

SENATE ACTION

March 3, 1999, read first time and referred to Committee on Finance.
March 29, 1999, amended, reported favorably — Do Pass.

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EH 1005—LS 8217/DI 58+



March 30, 1999

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

ENGROSSED HOUSE BILL No. 1005

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 6-1.1-3-14.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 1999]: **Sec. 14.5. (a) The state board of tax**
4 **commissioners shall review each year one-eighth (1/8) of the**
5 **personal property tax returns for taxpayers that have significant**
6 **amounts of personal property assessed value and make any**
7 **corrections in assessed value the board finds are necessary.**

8 **(b) The state board of tax commissioners shall adopt rules under**
9 **IC 4-22-2 before July 1, 2000, to implement this section.**

10 SECTION 2. IC 6-1.1-4-9 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]:
12 Sec. 9. **(a)** In order to maintain a just and equitable valuation of real
13 property, the state board of tax commissioners may adopt a resolution
14 declaring its belief that it is necessary to reassess all or a portion of the
15 real property located within this state. If the board adopts a
16 reassessment resolution and if either a township or a larger area is
17 involved, the board shall hold a hearing concerning the necessity for

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1 the reassessment at the courthouse of the county in which the property
 2 is located. The board shall give notice of the time and place of the
 3 hearing in the manner provided in section 10 of this chapter. After the
 4 hearing, or if the area involved is less than a township after the
 5 adoption of the board's resolution, the board may order any
 6 reassessment it deems necessary, **including the imposition of**
 7 **conditions contained in this section on the conduct of the next**
 8 **regularly scheduled general reassessment conducted under section**
 9 **4 of this chapter.** The order shall specify the time within which the
 10 reassessment must be completed and the date the reassessment will
 11 become effective **and may contain additional conditions that the**
 12 **board finds appropriate for the orderly performance of the**
 13 **reassessment, including outside supervision of the reassessment by**
 14 **the board or its designees.**

15 (b) All costs of a special reassessment shall be paid from the
 16 county's reassessment fund. The board may increase the
 17 reassessment fund levy of the county under section 27 of this
 18 chapter to meet the costs of a reassessment ordered under this
 19 section, and the board is entitled to reimbursement for its expenses
 20 from the fund. All expenditures relating to a reassessment ordered
 21 under this section shall be made pursuant to a budget approved in
 22 advance by the board.

23 SECTION 3. IC 6-1.1-4-13.6 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.6. (a) ~~(a)~~ As
 25 used in this section, "commission" refers to a county land valuation
 26 commission established under subsection (b).

27 (b) A county land valuation commission is established in each
 28 county for the purpose of determining the value of commercial,
 29 industrial, and residential land (including farm homesites) in the
 30 county.

31 (c) The county assessor is chairman of the commission.

32 (d) The following are members of the commission:

33 (1) The county assessor.

34 (2) Each township assessor, when the respective township land
 35 values for that township assessor's township are under
 36 consideration. A township assessor serving under this
 37 subdivision shall vote on all matters relating to the land values
 38 of that township assessor's township.

39 (3) One (1) township assessor from the county to be appointed
 40 by a majority vote of all the township assessors in the county.
 41 The county assessor shall cast a vote only to break a tie.

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

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- 1 (A) holds a license under IC 25-34.1-3 as a salesperson or
 2 broker; and
 3 (B) is appointed by the county executive (as defined in
 4 IC 36-1-2-5).
- 5 (5) Four (4) individuals who:
 6 (A) are appointed by the county executive (as defined in
 7 IC 36-1-2-5); and
 8 (B) represent one (1) of the following four (4) kinds of land
 9 in the county:
 10 (i) Agricultural.
 11 (ii) Commercial.
 12 (iii) Industrial.
 13 (iv) Residential.
- 14 Each of the four (4) kinds of land in the county must be
 15 represented by one (1) individual appointed under this
 16 subdivision.
- 17 (6) One (1) individual who:
 18 (A) is appointed by the county executive (as defined in
 19 IC 36-1-2-5); and
 20 (B) represents financial institutions in the county.
- 21 (e) The term of each member of the commission begins
 22 November 1, two (2) years before the general reassessment
 23 commences under IC 6-1.1-4-4, and ends January 1 of the year the
 24 general reassessment commences under IC 6-1.1-4-4. The
 25 appointing authority may fill a vacancy for the remainder of the
 26 vacated term.
- 27 (f) The township assessor ~~commission~~ shall determine the values
 28 of all classes of commercial, industrial, and residential land (including
 29 farm homesites) in the township county using guidelines determined
 30 by the state board of tax commissioners. Not later than November 1 of
 31 the year preceding the year in which a general reassessment becomes
 32 effective, ~~the assessor commences, the commission~~ determining the
 33 values of land shall submit the values, **all data supporting the values,**
 34 **and all information required under rules of the state board of tax**
 35 **commissioners relating to the determination of land values** to the
 36 county property tax assessment board of appeals. Not later than
 37 ~~December~~ **January** 1 of the year ~~preceding the year~~ in which a general
 38 reassessment becomes effective, ~~commences,~~ the county property tax
 39 assessment board of appeals shall hold a public hearing in the county
 40 concerning those values. The property tax assessment board of appeals
 41 shall give notice of the hearing in accordance with IC 5-3-1 and shall
 42 hold the hearing after March 31 **of the year preceding the year in**

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1 **which the general reassessment commences** and before ~~December~~
 2 **January** 1 of the year ~~preceding the year~~ in which the general
 3 reassessment under IC 6-1.1-4-4 ~~becomes effective~~: **commences**.

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

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

32 **(i)** Within twenty (20) days after notice to the county and
 33 township assessor is given under subsection (h), a taxpayer may
 34 request that the county property tax assessment board of appeals
 35 reconsider the values. The county property tax assessment board
 36 of appeals may hold a hearing on the reconsideration in the county.
 37 The county property tax assessment board of appeals shall give
 38 notice of the hearing under IC 5-3-1.

39 **(j)** A taxpayer may appeal the value determined under this
 40 section as applied to the taxpayer's land as part of an appeal filed
 41 under IC 6-1.1-15-1 after the taxpayer has received the notice
 42 under section 22 of this chapter. If a taxpayer that files an appeal



1 under IC 6-1.1-15 requests the values, data, or information
 2 received by the county property tax assessment board of appeals
 3 under subsection (f), the county property tax assessment board of
 4 appeals shall satisfy the request. The state board of tax
 5 commissioners may modify the taxpayer's land value and the value
 6 of any other land in the township, county where the taxpayer's land
 7 is located, or the adjacent county if the state board of tax
 8 commissioners determines it is necessary to provide uniformity and
 9 equality.

10 (e) (k) The county assessor shall notify all township assessors in the
 11 county of the values as modified by the county property tax assessment
 12 board of appeals: determined by the commission and as modified by
 13 the county property tax assessment board of appeals or state board
 14 under this section. Township assessors shall use the values determined
 15 under this section.

16 SECTION 4. IC 6-1.1-4-27 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27. (a) The auditor
 18 of each county shall establish a property reassessment fund. The county
 19 treasurer shall deposit all collections resulting from the property taxes
 20 that the county is required to levy under this section in the county's
 21 property reassessment fund.

22 (b) With respect to the general reassessment of real property which
 23 is to commence on July 1, 1999, the county council of each county
 24 shall, for property taxes due in the year in which the general
 25 reassessment is to commence and the three (3) years immediately
 26 preceding that year, levy against all the taxable property of the county
 27 an amount equal to ~~three-fourteenths (3/14)~~ **one fourth (1/4)** of the
 28 estimated cost of the general reassessment.

29 (c) With respect to a general reassessment of real property that is to
 30 commence on July 1, 2003, and each fourth year thereafter, the county
 31 council of each county shall, for property taxes due in the year that the
 32 general reassessment is to commence and the three (3) years preceding
 33 that year, levy against all the taxable property in the county an amount
 34 equal to one-fourth (1/4) of the estimated cost of the general
 35 reassessment.

36 (d) The state board of tax commissioners shall give to each county
 37 council notice, before January 1, of the tax levies required by this
 38 section.

39 (e) The state board of tax commissioners may raise or lower the
 40 property taxes levied under this section for a year if they determine it
 41 is appropriate because the estimated cost of the general reassessment
 42 has changed.



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1 SECTION 5. IC 6-1.1-10-16 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 16. (a) All or part
 3 of a building is exempt from property taxation if it is owned, occupied,
 4 and used by a person for educational, literary, scientific, religious, or
 5 charitable purposes.

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

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

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

13 (2) the tract does not exceed:

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

15 (i) an educational institution; ~~or~~

16 (ii) a tract that was exempt under this subsection on March
 17 1, 1987; or

18 **(iii) a 4-H organization; or**

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

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

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

24 (2) the tract does not exceed:

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

26 (i) an educational institution; ~~or~~

27 (ii) a tract that was exempt under this subsection on March
 28 1, 1987; or

29 **(iii) a 4-H organization; or**

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

31 (3) not more than three (3) years after the property is purchased,
 32 and for each year after the three (3) year period, the owner
 33 demonstrates substantial progress towards the erection of the
 34 intended building and use of the tract for the exempt purpose. To
 35 establish that substantial progress is being made, the owner must
 36 prove the existence of factors such as the following:

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

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

41 (C) Cash reserves dedicated to the project of a sufficient
 42 amount to lead a reasonable individual to believe the actual

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- 1 construction can and will begin within three (3) years.
 2 (D) The breaking of ground and the beginning of actual
 3 construction.
 4 (E) Any other factor that would lead a reasonable individual to
 5 believe that construction of the building is an active plan and
 6 that the building is capable of being completed within six (6)
 7 years considering the circumstances of the owner.
 8 (e) Personal property is exempt from property taxation if it is owned
 9 and used in such a manner that it would be exempt under subsection (a)
 10 or (b) if it were a building.
 11 (f) A hospital's property which is exempt from property taxation
 12 under subsection (a), (b), or (e) shall remain exempt from property
 13 taxation even if the property is used in part to furnish goods or services
 14 to another hospital whose property qualifies for exemption under this
 15 section.
 16 (g) Property owned by a shared hospital services organization which
 17 is exempt from federal income taxation under Section 501(c)(3) or
 18 501(e) of the Internal Revenue Code is exempt from property taxation
 19 if it is owned, occupied, and used exclusively to furnish goods or
 20 services to a hospital whose property is exempt from property taxation
 21 under subsection (a), (b), or (e).
 22 (h) This section does not exempt from property tax an office or a
 23 practice of a physician or group of physicians that is owned by a
 24 hospital licensed under IC 16-21-1 or other property that is not
 25 substantially related to or supportive of the inpatient facility of the
 26 hospital unless the office, practice, or other property:
 27 (1) provides or supports the provision of charity care (as defined
 28 in IC 16-18-2-52.5), including providing funds or other financial
 29 support for health care services for individuals who are indigent
 30 (as defined in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or
 31 (2) provides or supports the provision of community benefits (as
 32 defined in IC 16-21-9-1), including research, education, or
 33 government sponsored indigent health care (as defined in
 34 IC 16-21-9-2).
 35 However, participation in the Medicaid or Medicare program alone
 36 does not entitle an office, practice, or other property described in this
 37 subsection to an exemption under this section.
 38 (i) A tract of land or a tract of land plus all or part of a structure on
 39 the land is exempt from property taxation if:
 40 (1) the tract is acquired for the purpose of erecting, renovating, or
 41 improving a single family residential structure that is to be given
 42 away or sold:

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- 1 (A) in a charitable manner;
 2 (B) by a nonprofit organization; and
 3 (C) to low income individuals who will:
 4 (i) use the land as a family residence; and
 5 (ii) not have an exemption for the land under this section;
 6 (2) the tract does not exceed three (3) acres;
 7 (3) the tract of land or the tract of land plus all or part of a
 8 structure on the land is not used for profit while exempt under this
 9 section; and
 10 (4) not more than three (3) years after the property is acquired for
 11 the purpose described in subdivision (1), and for each year after
 12 the three (3) year period, the owner demonstrates substantial
 13 progress towards the erection, renovation, or improvement of the
 14 intended structure. To establish that substantial progress is being
 15 made, the owner must prove the existence of factors such as the
 16 following:
 17 (A) Organization of and activity by a building committee or
 18 other oversight group.
 19 (B) Completion and filing of building plans with the
 20 appropriate local government authority.
 21 (C) Cash reserves dedicated to the project of a sufficient
 22 amount to lead a reasonable individual to believe the actual
 23 construction can and will begin within six (6) years of the
 24 initial exemption received under this subsection.
 25 (D) The breaking of ground and the beginning of actual
 26 construction.
 27 (E) Any other factor that would lead a reasonable individual to
 28 believe that construction of the structure is an active plan and
 29 that the structure is capable of being:
 30 (i) completed; and
 31 (ii) transferred to a low income individual who does not
 32 receive an exemption under this section;
 33 within six (6) years considering the circumstances of the
 34 owner.
 35 (j) An exemption under subsection (i) terminates when the property
 36 is conveyed by the nonprofit organization to another owner. When the
 37 property is conveyed to another owner, the nonprofit organization
 38 receiving the exemption must file a certified statement with the **auditor**
 39 **assessor** of the county, notifying the **auditor assessor** of the change not
 40 later than sixty (60) days after the date of the conveyance. **The county**
 41 **assessor shall forward a copy of the certified statement to the**
 42 **county auditor.** A nonprofit organization that fails to file the statement

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1 required by this subsection is liable for the amount of property taxes
 2 due on the property conveyed if it were not for the exemption allowed
 3 under this chapter.

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

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

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

9 or

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

11 (A) is not a low income individual; or

12 (B) does not use the transferred property as a residence for at
 13 least one (1) year after the property is transferred;

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

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

22 (1) The total property taxes that, if it were not for the exemption
 23 under subsection (i), would have been levied on the property in
 24 each year in which an exemption was allowed.

25 (2) Interest on the property taxes at the rate of ten percent (10%)
 26 per year.

27 (m) The liability imposed by subsection (l) is a lien upon the
 28 property receiving the exemption under subsection (i). An amount
 29 collected under subsection (l) shall be collected as an excess levy. If
 30 the amount is not paid, it shall be collected in the same manner that
 31 delinquent taxes on real property are collected.

32 SECTION 6. IC 6-1.1-10-21 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 21. (a) The
 34 following tangible property is exempt from property taxation if it is
 35 owned by, or held in trust for the use of, a church or religious society:

36 (1) A building which is used for religious worship.

37 (2) Buildings that are used as parsonages.

38 (3) The pews and furniture contained within a building which is
 39 used for religious worship.

40 (4) The tract of land, not exceeding fifteen (15) acres, upon which
 41 a building described in this section is situated.

42 (b) To obtain an exemption for parsonages, a church or religious

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1 society must provide the county ~~auditor~~ **assessor** with an affidavit at
2 the time the church or religious society applies for the exemptions. The
3 affidavit must state that:

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

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

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

11 SECTION 7. IC 6-1.1-10-25 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 25. (a) Subject to
13 the limitations contained in subsection (b), ~~of this section~~, tangible
14 property is exempt from property taxation if it is owned by any of the
15 following organizations:

- 16 (1) The Young Men's Christian Association.
- 17 (2) The Salvation Army, Inc.
- 18 (3) The Knights of Columbus.
- 19 (4) The Young Men's Hebrew Association.
- 20 (5) The Young Women's Christian Association.
- 21 (6) A chapter or post of Disabled American Veterans of World
22 War I or II.
- 23 (7) A chapter or post of the Veterans of Foreign Wars.
- 24 (8) A post of the American Legion.
- 25 (9) A post of the American War Veterans.
- 26 (10) A camp of United States Spanish War Veterans.
- 27 (11) The Boy Scouts of America, one (1) or more of its
28 incorporated local councils, or a bank or trust company in trust for
29 the benefit of one (1) or more of its local councils.
- 30 (12) The Girl Scouts of the U.S.A., one (1) or more of its
31 incorporated local councils, or a bank or trust company in trust for
32 the benefit of one (1) or more of its local councils.
- 33 **(13) A nonprofit public radio station.**
- 34 **(14) A nonprofit public television station.**
- 35 **(15) A nonprofit organization that owns or leases land for the**
36 **purpose of assisting or promoting higher education, if the land**
37 **is not income producing.**
- 38 **(16) A 4-H organization.**

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

42 SECTION 8. IC 6-1.1-10-42 IS ADDED TO THE INDIANA CODE

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1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2000]: **Sec. 42. (a) A corporation that is:**

3 **(1) nonprofit; and**

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

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

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

11 SECTION 9. IC 6-1.1-11-3 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: **Sec. 3. (a) The An**
13 **owner of tangible property who wishes to obtain an exemption from**
14 **property taxation shall file a certified application in duplicate with the**
15 **auditor assessor of the county in which the property that is the subject**
16 **of the exemption is located. The application must be filed annually on**
17 **or before May 15 on forms prescribed by the state board of tax**
18 **commissioners. The county assessor shall forward a copy of the**
19 **certified application to the county auditor.** Except as provided in
20 sections 1, 3.5, and 4 of this chapter, the application applies only for
21 the taxes imposed for the year for which the application is filed.

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

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

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

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

31 **(3) The grounds for claiming the exemption.**

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

33 **(5) Any additional information which the state board of tax**
34 **commissioners may require.**

35 SECTION 10. IC 6-1.1-11-3.5 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: **Sec. 3.5. (a) A**
37 **not-for-profit corporation that seeks an exemption provided by**
38 **IC 6-1.1-10 for 1988 or for a year that follows 1988 by a multiple of**
39 **four (4) years must file an application for the exemption in that year.**
40 **However, if a not-for-profit corporation seeks an exemption provided**
41 **by IC 6-1.1-10 for a year not specified in this subsection and the**
42 **corporation did not receive the exemption for the preceding year, the**

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1 corporation must file an application for the exemption in the year for
 2 which the exemption is sought. The not-for-profit corporation must file
 3 each exemption application in the manner (other than the requirement
 4 for filing annually) prescribed in section 3 of this chapter.

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

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

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

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

28 SECTION 11. IC 6-1.1-11-10 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 10. Each county
 30 ~~auditor assessor~~ shall, on behalf of the county, collect a fee of two
 31 dollars (\$2) for each exemption application filed with him under this
 32 chapter. Each fee shall be accounted for and paid into the county
 33 general fund at the close of each month in the same manner as are other
 34 fees due the county. No other fee may be charged by a county ~~auditor,~~
 35 **assessor**, or his employees, for filing or preparing an exemption
 36 application.

37 SECTION 12. IC 6-1.1-12-18 (CURRENT VERSION) IS
 38 AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,
 39 2000]: Sec. 18. (a) If the assessed value of residential real property
 40 described in subsection (d) of this section is increased because it has
 41 been rehabilitated, the owner may have deducted from the assessed
 42 value of the property an amount not to exceed the lesser of:



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1 (1) the total increase in assessed value resulting from the
 2 rehabilitation; or
 3 (2) three thousand dollars (\$3,000) per rehabilitated dwelling unit.
 4 The owner is entitled to this deduction annually for a five (5) year
 5 period.

6 (b) For purposes of this section, the term "rehabilitation" means
 7 **significant** repairs, replacements, or improvements **to an existing**
 8 **structure** which are intended to increase the livability, utility, safety,
 9 or value of the property ~~and which do not increase the total amount of~~
 10 ~~floor space devoted to residential purposes unless the increase in floor~~
 11 ~~space is required in order to make the building comply with a local~~
 12 ~~housing code or zoning ordinance: under rules adopted by the state~~
 13 **board of tax commissioners.**

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

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

- 21 (1) a single family dwelling if before rehabilitation the assessed
 22 value (excluding any exemptions or deductions) of the
 23 improvements does not exceed six thousand dollars (\$6,000);
- 24 (2) a two (2) family dwelling if before rehabilitation the assessed
 25 value (excluding exemptions or deductions) of the improvements
 26 does not exceed eight thousand dollars (\$8,000); and
- 27 (3) a dwelling with more than two (2) family units if before
 28 rehabilitation the assessed value (excluding any exemptions or
 29 deductions) of the improvements does not exceed three thousand
 30 dollars (\$3,000) per dwelling unit.

31 SECTION 13. IC 6-1.1-12-18 (DELAYED VERSION) IS
 32 AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1,
 33 2001]: Sec. 18. (a) If the assessed value of residential real property
 34 described in subsection (d) of this section is increased because it has
 35 been rehabilitated, the owner may have deducted from the assessed
 36 value of the property an amount not to exceed the lesser of:

- 37 (1) the total increase in assessed value resulting from the
 38 rehabilitation; or
 - 39 (2) nine thousand dollars (\$9,000) per rehabilitated dwelling unit.
- 40 The owner is entitled to this deduction annually for a five (5) year
 41 period.

42 (b) For purposes of this section, the term "rehabilitation" means

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1 **significant** repairs, replacements, or improvements **to an existing**
 2 **structure** which are intended to increase the livability, utility, safety,
 3 or value of the property **and which do not increase the total amount of**
 4 **floor space devoted to residential purposes unless the increase in floor**
 5 **space is required in order to make the building comply with a local**
 6 **housing code or zoning ordinance. under rules adopted by the state**
 7 **board of tax commissioners.**

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

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

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

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

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

26 SECTION 14. IC 6-1.1-12-22 (CURRENT VERSION) IS
 27 AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,
 28 2000]: Sec. 22. (a) If the assessed value of property is increased
 29 because it has been rehabilitated and the owner has paid at least ten
 30 thousand dollars (\$10,000) for the rehabilitation, the owner is entitled
 31 to have deducted from the assessed value of the property an amount
 32 equal to fifty percent (50%) of the increase in assessed value resulting
 33 from the rehabilitation. The owner is entitled to this deduction annually
 34 for a five (5) year period. However, the maximum deduction which a
 35 property owner may receive under this section for a particular year is:

36 (1) twenty thousand dollars (\$20,000) for a single family dwelling
 37 unit; or

38 (2) one hundred thousand dollars (\$100,000) for any other type of
 39 property.

40 (b) For purposes of this section, the term "property" means a
 41 building or structure which was erected at least fifty (50) years before
 42 the date of application for the deduction provided by this section. The

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1 term "property" does not include land.

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

14 SECTION 15. IC 6-1.1-12-22 (DELAYED VERSION) IS
 15 AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1,
 16 2001]: Sec. 22. (a) If the assessed value of property is increased
 17 because it has been rehabilitated and the owner has paid at least ten
 18 thousand dollars (\$10,000) for the rehabilitation, the owner is entitled
 19 to have deducted from the assessed value of the property an amount
 20 equal to fifty percent (50%) of the increase in assessed value resulting
 21 from the rehabilitation. The owner is entitled to this deduction annually
 22 for a five (5) year period. However, the maximum deduction which a
 23 property owner may receive under this section for a particular year is:

- 24 (1) sixty thousand dollars (\$60,000) for a single family dwelling
 25 unit; or
 26 (2) three hundred thousand dollars (\$300,000) for any other type
 27 of property.

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

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



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1 **commissioners.**

2 SECTION 16. IC 6-1.1-12.1-3 IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. (a) An
 4 applicant must provide a statement of benefits to the designating body.
 5 If the designating body requires information from the applicant for
 6 economic revitalization area status for use in making its decision about
 7 whether to designate an economic revitalization area, the applicant
 8 shall provide the completed statement of benefits form to the
 9 designating body before the hearing required by section 2.5(c) of this
 10 chapter. Otherwise, the statement of benefits form must be submitted
 11 to the designating body before the initiation of the redevelopment or
 12 rehabilitation for which the person desires to claim a deduction under
 13 this chapter. The state board of tax commissioners shall prescribe a
 14 form for the statement of benefits. The statement of benefits must
 15 include the following information:

- 16 (1) A description of the proposed redevelopment or rehabilitation.
 17 (2) An estimate of the number of individuals who will be
 18 employed or whose employment will be retained by the person as
 19 a result of the redevelopment or rehabilitation and an estimate of
 20 the annual salaries of these individuals.
 21 (3) An estimate of the value of the redevelopment or
 22 rehabilitation.

23 With the approval of the ~~state board of tax commissioners~~, **designating**
 24 **body**, the statement of benefits may be incorporated in a designation
 25 application. Notwithstanding any other law, a statement of benefits is
 26 a public record that may be inspected and copied under IC 5-14-3-3.

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

- 32 (1) Whether the estimate of the value of the redevelopment or
 33 rehabilitation is reasonable for projects of that nature.
 34 (2) Whether the estimate of the number of individuals who will be
 35 employed or whose employment will be retained can be
 36 reasonably expected to result from the proposed described
 37 redevelopment or rehabilitation.
 38 (3) Whether the estimate of the annual salaries of those
 39 individuals who will be employed or whose employment will be
 40 retained can be reasonably expected to result from the proposed
 41 described redevelopment or rehabilitation.
 42 (4) Whether any other benefits about which information was



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1 requested are benefits that can be reasonably expected to result
2 from the proposed described redevelopment or rehabilitation.

3 (5) Whether the totality of benefits is sufficient to justify the
4 deduction.

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

8 (c) Except as provided in subsections (a) through (b), the owner of
9 property which is located in an economic revitalization area is entitled
10 to a deduction from the assessed value of the property. If the area is a
11 residentially distressed area, the period is five (5) years. For all other
12 economic revitalization areas the period is three (3), six (6), or ten (10)
13 years, as determined under subsection (d). The owner is entitled to a
14 deduction if:

15 (1) the property has been rehabilitated; or

16 (2) the property is located on real estate which has been
17 redeveloped.

18 The owner is entitled to the deduction for the first year, and any
19 successive year or years, in which an increase in assessed value
20 resulting from the rehabilitation or redevelopment occurs and for the
21 two (2), four (4), five (5), or nine (9) years immediately following each
22 such year or years, whichever is applicable. However, property owners
23 who had an area designated an urban development area pursuant to an
24 application filed prior to January 1, 1979, are only entitled to a
25 deduction for a five (5) year period. In addition, property owners who
26 are entitled to a deduction under this chapter pursuant to an application
27 filed after December 31, 1978, and before January 1, 1986, are entitled
28 to a deduction for a ten (10) year period.

29 (d) For economic revitalization areas that are not residentially
30 distressed areas, the designating body shall determine whether the
31 property owner is entitled to a deduction for three (3) years, six (6)
32 years, or ten (10) years. This determination shall be made:

33 (1) as part of the resolution adopted under section 2.5 of this
34 chapter; or

35 (2) by resolution adopted within sixty (60) days after receiving a
36 copy of a property owner's certified deduction application from
37 the county auditor. A certified copy of the resolution shall be sent
38 to the county auditor who shall make the deduction as provided
39 in section 5 of this chapter.

40 A determination about whether the deduction is three (3), six (6), or ten
41 (10) years that is made under subdivision (1) is final and may not be
42 changed by following the procedure under subdivision (2).



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1 (e) Except for deductions related to redevelopment or rehabilitation
 2 of real property in a county containing a consolidated city or a
 3 deduction related to redevelopment or rehabilitation of real property
 4 initiated before December 31, 1987, in areas designated as economic
 5 revitalization areas before that date, a deduction for the redevelopment
 6 or rehabilitation of real property may not be approved for the following
 7 facilities:

- 8 (1) Private or commercial golf course.
 9 (2) Country club.
 10 (3) Massage parlor.
 11 (4) Tennis club.
 12 (5) Skating facility (including roller skating, skateboarding, or ice
 13 skating).
 14 (6) Racquet sport facility (including any handball or racquetball
 15 court).
 16 (7) Hot tub facility.
 17 (8) Suntan facility.
 18 (9) Racetrack.
 19 (10) Any facility the primary purpose of which is:
 20 (A) retail food and beverage service;
 21 (B) automobile sales or service; or
 22 (C) other retail;
 23 unless the facility is located in an economic development target
 24 area established under section 7 of this chapter.
 25 (11) Residential, unless:
 26 (A) the facility is a multifamily facility that contains at least
 27 twenty percent (20%) of the units available for use by low and
 28 moderate income individuals;
 29 (B) the facility is located in an economic development target
 30 area established under section 7 of this chapter; or
 31 (C) the area is designated as a residentially distressed area.
 32 (12) A package liquor store that holds a liquor dealer's permit
 33 under IC 7.1-3-10 or any other entity that is required to operate
 34 under a license issued under IC 7.1. However, this subdivision
 35 does not apply to an applicant that:
 36 (A) was eligible for tax abatement under this chapter before
 37 July 1, 1995; or
 38 (B) is described in IC 7.1-5-7-11.

39 SECTION 17. IC 6-1.1-12.1-4.5 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 4.5. (a) For
 41 purposes of this section, "personal property" means personal property
 42 other than inventory (as defined in IC 6-1.1-3-11(a)).

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1 (b) An applicant must provide a statement of benefits to the
2 designating body. The applicant must provide the completed statement
3 of benefits form to the designating body before the hearing specified in
4 section 2.5(c) of this chapter or before the installation of the new
5 manufacturing equipment for which the person desires to claim a
6 deduction under this chapter. The state board of tax commissioners
7 shall prescribe a form for the statement of benefits. The statement of
8 benefits must include the following information:

9 (1) A description of the new manufacturing equipment that the
10 person proposes to acquire.

11 (2) With respect to new manufacturing equipment not used to
12 dispose of solid waste or hazardous waste by converting the solid
13 waste or hazardous waste into energy or other useful products, an
14 estimate of the number of individuals who will be employed or
15 whose employment will be retained by the person as a result of
16 the installation of the new manufacturing equipment and an
17 estimate of the annual salaries of these individuals.

18 (3) An estimate of the cost of the new manufacturing equipment.

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

25 With the approval of the ~~state board of tax commissioners~~, **designating**
26 **body**, the statement of benefits may be incorporated in a designation
27 application. Notwithstanding any other law, a statement of benefits is
28 a public record that may be inspected and copied under IC 5-14-3-3.

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

34 (1) Whether the estimate of the cost of the new manufacturing
35 equipment is reasonable for equipment of that type.

36 (2) With respect to new manufacturing equipment not used to
37 dispose of solid waste or hazardous waste by converting the solid
38 waste or hazardous waste into energy or other useful products,
39 whether the estimate of the number of individuals who will be
40 employed or whose employment will be retained can be
41 reasonably expected to result from the installation of the new
42 manufacturing equipment.

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1 (3) Whether the estimate of the annual salaries of those
 2 individuals who will be employed or whose employment will be
 3 retained can be reasonably expected to result from the proposed
 4 installation of new manufacturing equipment.

5 (4) With respect to new manufacturing equipment used to dispose
 6 of solid waste or hazardous waste by converting the solid waste
 7 or hazardous waste into energy or other useful products, whether
 8 the estimate of the amount of solid waste or hazardous waste that
 9 will be converted into energy or other useful products can be
 10 reasonably expected to result from the installation of the new
 11 manufacturing equipment.

12 (5) Whether any other benefits about which information was
 13 requested are benefits that can be reasonably expected to result
 14 from the proposed installation of new manufacturing equipment.

15 (6) Whether the totality of benefits is sufficient to justify the
 16 deduction.

17 The designating body may not designate an area an economic
 18 revitalization area or approve the deduction unless it makes the
 19 findings required by this subsection in the affirmative.

20 (d) Except as provided in subsection (f), an owner of new
 21 manufacturing equipment whose statement of benefits is approved
 22 before May 1, 1991, is entitled to a deduction from the assessed value
 23 of that equipment for a period of five (5) years. Except as provided in
 24 subsections (f) and (i), an owner of new manufacturing equipment
 25 whose statement of benefits is approved after April 30, 1991, is entitled
 26 to a deduction from the assessed value of that equipment for a period
 27 of five (5) years or ten (10) years, as determined by the designating
 28 body under subsection (h). Except as provided in subsections (f) and
 29 (g) and in section 2(i)(3) of this chapter, the amount of the deduction
 30 that an owner is entitled to for a particular year equals the product of:

31 (1) the assessed value of the new manufacturing equipment in the
 32 year that the equipment is installed; multiplied by

33 (2) the percentage prescribed in the table set forth in subsection
 34 (e).

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

37 (1) For deductions allowed over a five (5) year period:

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1	YEAR OF DEDUCTION	PERCENTAGE
2	1st	100%
3	2nd	95%
4	3rd	80%
5	4th	65%
6	5th	50%
7	6th and thereafter	0%
8	(2) For deductions allowed over a ten (10) year period:	
9	YEAR OF DEDUCTION	PERCENTAGE
10	1st	100%
11	2nd	95%
12	3rd	90%
13	4th	85%
14	5th	80%
15	6th	70%
16	7th	55%
17	8th	40%
18	9th	30%
19	10th	25%
20	11th and thereafter	0%

(f) Notwithstanding subsections (d) and (e), a deduction under this section is not allowed in the first year the deduction is claimed for new manufacturing equipment to the extent that it would cause the assessed value of all of the personal property of the owner in the taxing district in which the equipment is located (excluding personal property that is assessed as construction in process) to be less than the assessed value of all of the personal property of the owner in that taxing district (excluding personal property that is assessed as construction in process) in the immediately preceding year.

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

(h) The designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. This determination shall be made:

- (1) as part of the resolution adopted under section 2.5 of this chapter; or
- (2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the state board of tax commissioners. A certified copy of the

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1 resolution shall be sent to the county auditor and the state board
2 of tax commissioners.

3 A determination about whether the deduction is for a period of five (5)
4 or ten (10) years that is made under subdivision (1) is final and may not
5 be changed by following the procedure under subdivision (2).

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

10 (1) is convicted of a violation under IC 13-7-13-3 (repealed),
11 IC 13-7-13-4 (repealed), or IC 13-30-6; or

12 (2) is subject to an order or a consent decree with respect to
13 property located in Indiana based on a violation of a federal or
14 state rule, regulation, or statute governing the treatment, storage,
15 or disposal of hazardous wastes that had a major or moderate
16 potential for harm.

17 SECTION 18. IC 6-1.1-12.1-5.5 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 5.5. (a) A person
19 that desires to obtain the deduction provided by section 4.5 of this
20 chapter must file a certified deduction application on forms prescribed
21 by the state board of tax commissioners, with:

22 (1) the auditor of the county in which the new manufacturing
23 equipment is located; and

24 (2) the state board of tax commissioners: **designating body.**

25 ~~A person that timely files a personal property return under IC~~
26 ~~6-1.1-3-7(a) for the year in which the new manufacturing equipment is~~
27 ~~installed must file the application between March 1 and May 15 of that~~
28 ~~year. A person that obtains a filing extension under IC 6-1.1-3-7(b) for~~
29 ~~the year in which the new manufacturing equipment is installed must~~
30 ~~file the application between March 1 and June 14 of that year. The~~
31 ~~designating body shall determine if all persons qualifying for the~~
32 ~~deduction provided by section 4.5 of this chapter have filed the~~
33 ~~required schedule. Before June 20 of each year, the designating~~
34 ~~body shall notify each person that qualifies but failed to file the~~
35 ~~required deduction application. Before July 15 of each year, the~~
36 ~~designating body shall compile and send to the county auditor a list~~
37 ~~of all persons eligible for the deduction and a statement of whether~~
38 ~~the person filed the deduction application required by this section.~~

39 (b) The deduction application required by this section must contain
40 the following information:

41 (1) The name of the owner of the new manufacturing equipment.

42 (2) A description of the new manufacturing equipment.



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- 1 (3) Proof of the date the new manufacturing equipment was
2 installed.
- 3 (4) The amount of the deduction claimed for the first year of the
4 deduction.
- 5 **(5) The compliance statement required by section 5.6 of this**
6 **chapter.**
- 7 **(6) Any other information required by the state board of tax**
8 **commissioners.**
- 9 (c) This subsection applies to a deduction application with respect
10 to new manufacturing equipment for which a statement of benefits was
11 initially approved after April 30, 1991. If a determination about
12 ~~whether the number of years for which~~ the deduction is ~~for a period~~
13 ~~of five (5) or ten (10) years allowed~~ has not been made in the
14 resolution adopted under section 2.5 of this chapter, the county auditor
15 shall send a copy of the deduction application to the designating body
16 and the designating body shall adopt a resolution under section
17 4.5(h)(2) of this chapter.
- 18 (d) A deduction application must be filed under this section in the
19 year in which the new manufacturing equipment is installed and in
20 each of the immediately succeeding ~~four (4) or nine (9)~~ years
21 ~~whichever is applicable. the deduction is allowed.~~
- 22 (e) The ~~state board of tax commissioners designating body~~ shall
23 review and verify the correctness of each deduction application and
24 shall notify the county auditor of the county in which the property is
25 located that the deduction application is approved or denied or that the
26 amount of the deduction is altered. Upon notification of approval of the
27 deduction application or of alteration of the amount of the deduction,
28 the county auditor shall make the deduction. The county auditor shall
29 notify the county property tax assessment board of appeals **and state**
30 **board of tax commissioners** of all deductions approved under this
31 section.
- 32 (f) If the ownership of new manufacturing equipment changes, the
33 deduction provided under section 4.5 of this chapter continues to apply
34 to that equipment if the new owner:
- 35 (1) continues to use the equipment in compliance with any
36 standards established under section 2(g) of this chapter; and
37 (2) files the deduction applications required by this section.
- 38 (g) The amount of the deduction is the percentage under section 4.5
39 of this chapter that would have applied if the ownership of the property
40 had not changed multiplied by the assessed value of the equipment for
41 the year the deduction is claimed by the new owner.
- 42 (h) If a person desires to initiate an appeal of the ~~state board of tax~~

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1 ~~commissioners'~~ **designating body's** final determination, the person
 2 must do all of the following not more than forty-five (45) days after the
 3 ~~state board of tax commissioners~~ **designating body** gives the person
 4 notice of the final determination:

5 (1) File a written notice with the ~~state board of tax commissioners~~
 6 **designating body** informing the board of the person's intention to
 7 appeal.

8 (2) File a complaint in the ~~tax court:~~ **circuit court of the county**
 9 **in which the property subject to the deduction is located.**

10 (3) Serve ~~the attorney general and~~ the county auditor with a copy
 11 of the complaint.

12 SECTION 19. IC 6-1.1-12.1-5.9 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 5.9. (a) This
 14 section does not apply to:

15 (1) a deduction under section 3 of this chapter for property
 16 located in a residentially distressed area; or

17 (2) any other deduction under section 3 or 4.5 of this chapter for
 18 which a statement of benefits was approved before July 1, 1991.

19 (b) Within forty-five (45) days after receipt of the information
 20 described in section 5.1 or 5.6 of this chapter, the designating body
 21 may determine whether the property owner has substantially complied
 22 with the statement of benefits approved under section 3 or 4.5 of this
 23 chapter. If the designating body determines that the property owner has
 24 not substantially complied with the statement of benefits and that the
 25 failure to substantially comply was not caused by factors beyond the
 26 control of the property owner (such as declines in demand for the
 27 property owner's products or services), the designating body shall mail
 28 a written notice to the property owner. The written notice must include
 29 the following provisions:

30 (1) An explanation of the reasons for the designating body's
 31 determination.

32 (2) The date, time, and place of a hearing to be conducted by the
 33 designating body for the purpose of further considering the
 34 property owner's compliance with the statement of benefits. The
 35 date of the hearing may not be more than thirty (30) days after the
 36 date on which the notice is mailed.

37 ~~If a notice mailed to a property owner concerns a statement of benefits~~
 38 ~~approved under section 4.5 of this chapter, the designating body shall~~
 39 ~~also mail a copy of the notice to the state board of tax commissioners.~~

40 (c) On the date specified in the notice described in subsection
 41 (b)(2), the designating body shall conduct a hearing for the purpose of
 42 further considering the property owner's compliance with the statement



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1 of benefits. Based on the information presented at the hearing by the
 2 property owner and other interested parties, the designating body shall
 3 again determine whether the property owner has made reasonable
 4 efforts to substantially comply with the statement of benefits and
 5 whether any failure to substantially comply was caused by factors
 6 beyond the control of the property owner. If the designating body
 7 determines that the property owner has not made reasonable efforts to
 8 comply with the statement of benefits, the designating body shall adopt
 9 a resolution terminating the property owner's deduction under section
 10 3 or 4.5 of this chapter. If the designating body adopts such a
 11 resolution, the deduction does not apply to the next installment of
 12 property taxes owed by the property owner or to any subsequent
 13 installment of property taxes.

14 (d) If the designating body adopts a resolution terminating a
 15 deduction under subsection (c), the designating body shall immediately
 16 mail a certified copy of the resolution to:

- 17 (1) the property owner;
- 18 (2) the county auditor; and
- 19 (3) the state board of tax commissioners if the deduction was
 20 granted under section 4.5 of this chapter.

21 The county auditor shall remove the deduction from the tax duplicate
 22 and shall notify the county treasurer of the termination of the
 23 deduction. If the designating body's resolution is adopted after the
 24 county treasurer has mailed the statement required by IC 6-1.1-22-8,
 25 the county treasurer shall immediately mail the property owner a
 26 revised statement that reflects the termination of the deduction.

27 (e) A property owner whose deduction is terminated by the
 28 designating body under this section may appeal the designating body's
 29 decision by filing a complaint in the office of the clerk of the circuit or
 30 superior court together with a bond conditioned to pay the costs of the
 31 appeal if the appeal is determined against the property owner. An
 32 appeal under this subsection shall be promptly heard by the court
 33 without a jury and determined within thirty (30) days after the time of
 34 the filing of the appeal. The court shall hear evidence on the appeal and
 35 may confirm the action of the designating body or sustain the appeal.
 36 The judgment of the court is final and conclusive unless an appeal is
 37 taken as in other civil actions.

38 (f) If an appeal under subsection (e) is pending, the taxes resulting
 39 from the termination of the deduction are not due until after the appeal
 40 is finally adjudicated and the termination of the deduction is finally
 41 determined.

42 SECTION 20. IC 6-1.1-15-1 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]:
 2 Sec. 1. (a) A taxpayer may obtain a review by the county property tax
 3 assessment board of appeals of a county or township official's action
 4 with respect to the assessment of the taxpayer's tangible property if the
 5 official's action requires the giving of notice to the taxpayer. At the
 6 time that notice is given to the taxpayer, he shall also be informed in
 7 writing of:

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

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

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

18 whichever is later. The county assessor shall notify the county auditor
 19 **and the state board of tax commissioners** that the assessment is
 20 under appeal. **In addition, a notice shall be sent to each affected**
 21 **taxing unit when the appealed items constitute at least one percent**
 22 **(1%) of the taxing unit's total gross certified assessed value for the**
 23 **immediately preceding year. The notice must include the**
 24 **appellant's name and address, the assessed value for the**
 25 **assessment date the year before the appeal, and the assessed value**
 26 **on the most recent assessment date. The county assessor shall**
 27 **compile a list of all units that must be notified under this subsection**
 28 **and shall forward the list and the information included on the**
 29 **notice to the state board of tax commissioners with any petition for**
 30 **review filed under section 3 of this chapter.**

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

- 32 (1) in the same year that notice of a change in the assessment is
 33 given to the taxpayer; and
 34 (2) after the time prescribed in subsection (b);

35 becomes effective for the next assessment date.

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

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

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

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

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

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

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

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

22 (g) Immediately upon receipt of a timely filed petition on the form
 23 prescribed under subsection (e), the county assessor shall forward a
 24 copy of the petition to the township assessor who made the challenged
 25 assessment. The township assessor shall, within thirty (30) days after
 26 the receipt of the petition, attempt to hold a preliminary conference
 27 with the petitioner and resolve as many issues as possible. Within ten
 28 (10) days after the conference, the township assessor shall forward to
 29 the county auditor and county assessor a completed response to the
 30 petition on the form prescribed under subsection (f). The county
 31 assessor shall immediately forward a copy of the response form to the
 32 petitioner and the county property tax assessment board of appeals. ~~If
 33 the county auditor determines that the appealed items on which there
 34 is disagreement constitute at least one percent (1%) of the total gross
 35 certified assessed value of the immediately preceding year for any
 36 particular unit; the county auditor shall immediately notify the fiscal
 37 officer of the unit.~~ If after the conference there are items listed in the
 38 petition on which there is disagreement, the property tax assessment
 39 board of appeals shall hold a hearing **as follows:**

40 **(1) In the case of a petition filed after December 31, 1998, and**
 41 **before January 1, 2001, the board of appeals shall, at its**
 42 **earliest opportunity, conduct a hearing on the assessment**

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1 **either in the year in which the petition is filed or in the**
 2 **following year.**

3 **(2) In the case of a petition filed after December 31, 2000, the**
 4 **board of appeals shall hold a hearing** within ninety (90) days of
 5 the filing of the petition on those items of disagreement, **except**
 6 **as provided in subsection (h).**

7 The taxpayer may present the taxpayer's reasons for disagreement with
 8 the assessment. The township assessor or county assessor for the
 9 county must present the basis for the assessment decision on these
 10 items to the board of appeals at the hearing and the reasons the
 11 petitioner's appeal should be denied on those items. The board of
 12 appeals shall have a written record of the hearing and prepare a written
 13 statement of findings and a decision on each item within sixty (60) days
 14 of the hearing **except as provided in subsection (h)**. If the township
 15 assessor does not attempt to hold a preliminary conference, the board
 16 shall accept the appeal of the petitioner at the hearing.

17 **(h) In the case of a petition filed after December 31, 2000, the**
 18 **county property tax assessment board of appeals shall hold its**
 19 **hearing within one hundred eighty (180) days instead of ninety (90)**
 20 **days in a county having a population of more than four hundred**
 21 **thousand (400,000). The board of appeals shall have a written**
 22 **record of the hearing and prepare a written statement of findings**
 23 **and a decision on each item within one hundred twenty (120) days**
 24 **of the hearing.**

25 SECTION 21. IC 6-1.1-15-4 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]:
 27 Sec. 4. (a) After receiving a petition for review which is filed under
 28 section 3 of this chapter, the division of appeals of the state board of
 29 tax commissioners shall conduct a hearing at its earliest opportunity.
 30 In addition, the division of appeals of the state board may assess the
 31 property in question, correcting any errors which may have been made.
 32 The division of appeals of the state board shall give notice of the date
 33 fixed for the hearing, by mail, to the taxpayer and to the appropriate
 34 township assessor, county assessor, and county auditor. The division of
 35 appeals of the state board shall give these notices at least ten (10) days
 36 before the day fixed for the hearing.

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



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1 and file a corrected petition. The division of appeals of the state board
2 of tax commissioners shall deny a corrected petition for review if it
3 does not substantially comply with the state board of tax
4 commissioners' instructions for completing the form prescribed under
5 section 3 of this chapter.

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

- 12 (1) indicated on the petition submitted under section 1(e) of this
- 13 chapter;
- 14 (2) included in the township assessor's response under section
- 15 1(g) of this chapter; and
- 16 (3) included in the county property tax assessment board of
- 17 appeals' findings, record, and determination under section 2.1(d)
- 18 of this chapter.

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

22 (d) After the hearing the division of appeals of the state board shall
23 give the petitioner, the township assessor, the county assessor, and the
24 county auditor:

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

29 **(e) This subsection applies only to petitions filed with the state**
30 **board of tax commissioners after December 31, 1998, and before**
31 **January 1, 2001. If the state board of tax commissioners fails to**
32 **conduct a hearing and make a final determination required under**
33 **this section within twelve (12) months after the state board receives**
34 **a petition for review, the person who petitioned for review may**
35 **request the tax court to grant an appeal under section 5 of this**
36 **chapter, as if the state board had made a final determination**
37 **affirming the board of appeal's action with respect to the**
38 **assessment. A person may file a request for an appeal on a form**
39 **prescribed by the state board of tax commissioners, requesting the**
40 **tax court to consider a petition that is not heard by the state board**
41 **of tax commissioners within the period prescribed by this**
42 **subsection. Not more than sixty (60) days after the filing of a**

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1 **request for an appeal, the tax court shall inform the person filing**
 2 **the request whether the tax court will allow the appeal under**
 3 **section 5 of this chapter. The tax court has complete and sole**
 4 **discretion as to whether to allow or deny an appeal request filed**
 5 **under this subsection. If the tax court denies the appeal request, the**
 6 **state board of tax commissioners shall conduct a hearing and make**
 7 **a final determination required under this section not more than**
 8 **twelve (12) months after the appeal request is denied.**

9 ~~(e)~~ **(f) This subsection applies only to petitions filed with the**
 10 **state board of tax commissioners after December 31, 2000.** The
 11 division of appeals of the state board of tax commissioners shall
 12 conduct a hearing within six (6) months after a petition in proper form
 13 is filed with the division, excluding any time due to a delay reasonably
 14 caused by the petitioner. The division of appeals shall make a
 15 determination within the later of forty-five (45) days after the hearing
 16 or the date set in an extension order issued by the chairman of the state
 17 board of tax commissioners. However, the state board of tax
 18 commissioners may not extend the final determination date by more
 19 than one hundred eighty (180) days. Except as provided in subsection
 20 (g):

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

25 (2) a final decision of the division of appeals is a final
 26 determination of the state board of tax commissioners.

27 (g) A final determination of the division of appeals is not a final
 28 determination of the state board of tax commissioners if the state board
 29 of tax commissioners:

30 (1) gives notice to the parties that the state board of tax
 31 commissioners will review the determination of the division of
 32 appeals within fifteen (15) days after the division of appeals gives
 33 notice of the determination to the parties or the maximum
 34 allowable time for the issuance of a determination under
 35 subsection (e) or (f) expires; or

36 (2) determines to rehear the determination under section 5 of this
 37 chapter.

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

41 SECTION 22. IC 6-1.1-15-5 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]:

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

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

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

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

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

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

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

- 41 (1) forty-five (45) days after the state board of tax commissioners
 42 gives the person notice of its final determination under

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1 IC 6-1.1-14-11 unless a rehearing is conducted under subsection
 2 (a);
 3 (2) thirty (30) days after the board gives the person notice under
 4 subsection (a) of its final determination, if a rehearing is
 5 conducted under subsection (a) or the maximum time elapses for
 6 the state board of tax commissioners to make a determination
 7 under this section; or
 8 (3) forty-five (45) days after the division of appeals gives notice
 9 of a final determination under section 4 of this chapter or the
 10 division fails to make a determination within the maximum time
 11 allowed under section 4 of this chapter, if a rehearing is not
 12 granted under this section.

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

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

- 19 (1) ~~eight hundred fifty~~ thousand dollars (~~\$800,000~~); **(\$50,000)**;
 20 or
 21 (2) an amount equal to ~~ten one~~ percent (~~+10%~~) **(1%)** of the
 22 aggregate tax levies of ~~all any~~ taxing ~~units unit~~ in the county for
 23 that year;

24 whichever is less, the county executive may take an appeal to the tax
 25 court in the manner prescribed in this section ~~but only~~ upon request by
 26 the county assessor **or elected township assessor**.

27 SECTION 23. IC 6-1.1-15-6 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]:
 29 Sec. 6. (a) If an appeal is initiated by a person under section 5 of this
 30 chapter, the secretary of the state board of tax commissioners shall
 31 prepare a certified **transcript record** of the proceedings related to the
 32 appeal. ~~However, the transcript shall not include the evidence compiled~~
 33 ~~by the board with respect to the proceedings. The secretary of the board~~
 34 ~~shall transmit the transcript to the clerk of the court designated by the~~
 35 ~~appellant. The record must consist of the following documents:~~

- 36 (1) **Copies of all papers submitted to the state board of tax**
 37 **commissioners during the course of the action and copies of**
 38 **all papers provided to the parties by the state board of tax**
 39 **commissioners. The term "papers" includes without**
 40 **limitation all notices, petitions, motions, photographs, and**
 41 **other written documents.**
 42 (2) **The transcript of the evidence and proceedings at the**



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administrative hearing conducted by the division of appeals of the state board of tax commissioners.

(3) Copies of all exhibits and physical objects provided to the division of appeals of the state board of tax commissioners during the course of the administrative hearing conducted by the division of appeals.

(4) Copies of the exhibits that, because of their nature, cannot be incorporated into the record must be kept by the state board of tax commissioners until the appeal is finally terminated. However, this evidence must be briefly named and identified in the transcript of the evidence and proceedings.

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

(c) To further the establishment of a uniform system of assessments and a collection of assessment decisions by the state board of tax commissioners on assessment appeals, the state board of tax commissioners shall compile, in writing, the basis for each decision on an assessment appeal. The compilation shall be available to the public.

SECTION 24. IC 6-1.1-15-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 9. (a) If tangible property is reassessed by the state board of tax commissioners under section 8 of this chapter, the owner of the property has a right to appeal the board's final determination of the reassessment. In a case meeting the requirements of section 5(f)(1) or 5(f)(2) of this chapter, the county executive ~~also has a right to~~ **may** appeal the board's final determination of the reassessment ~~but only~~ upon request by the county assessor **or elected township assessor.**

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

SECTION 25. IC 6-1.1-15-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 10. (a) **This section applies to a petition for review to a board or an appeal to the tax court involving less than:**

(1) **five hundred thousand dollars (\$500,000) in assessed value**

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

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

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

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

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

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

34 SECTION 26. IC 6-1.1-15-10.5 IS ADDED TO THE INDIANA
 35 CODE AS A NEW SECTION TO READ AS FOLLOWS
 36 [EFFECTIVE JANUARY 1, 2000]: **Sec. 10.5. (a) This section applies**
 37 **to a petition for review to a board or an appeal to the tax court**
 38 **involving at least:**

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

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

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1 (b) If a petition for review to a board or an appeal to the tax
 2 court regarding an assessment or increase in assessment is
 3 pending, the taxpayer may pay the amount of taxes due under
 4 IC 6-1.1-15-10 or may pay the amount of taxes due based on the
 5 current year's assessed value. On each semiannual due date for
 6 payment of property taxes, the county assessor shall provide the
 7 county treasurer a list by taxing district of the parcels eligible
 8 under subsection (a). The list must include the parcel or tax
 9 number, the appellant's name and address, the assessed value for
 10 the assessment date of the year before the appeal, the assessed
 11 value on the most recent assessment date, and the difference in
 12 assessed value. Within sixty (60) days after receiving the list, the
 13 county treasurer shall report the collection to the county auditor.

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

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

30 (e) A refund to a prevailing taxpayer shall be paid by the county
 31 auditor. The county auditor shall charge the refund to the various
 32 taxing units to which an overpayment has been paid. The taxing
 33 units are then entitled to withdraw the property taxes held in
 34 reserve under this section with respect to the prevailing taxpayer.

35 (f) If an assessment or increase in assessment is upheld in a final
 36 determination, the taxing unit shall deposit the property taxes and
 37 interest held in reserve under this section into the taxing unit's levy
 38 excess fund.

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

41 SECTION 27. IC 6-1.1-15-11 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 11. (a) If a review

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

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

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

24 SECTION 28. IC 6-1.1-17-1 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. (a) On or
 26 before August 1 of each year, the county auditor shall send a certified
 27 statement, under the seal of the board of county commissioners, to the
 28 fiscal officer of each political subdivision of the county and the state
 29 board of tax commissioners. The statement shall contain:

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



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

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

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

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

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

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

17 SECTION 29. IC 6-1.1-17-2.5 IS ADDED TO THE INDIANA
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE JANUARY 1, 2000]: **Sec. 2.5. (a) When certifying the**
 20 **assessed value of a political subdivision for budget making**
 21 **purposes, the county auditor:**

22 (1) shall exclude appealed assessed value; and

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

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

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

38 SECTION 30. IC 6-1.1-28-1 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]:
 40 Sec. 1. Each county shall have a county property tax assessment board
 41 of appeals composed of individuals who are at least eighteen (18) years
 42 of age and knowledgeable in the valuation of property. **Except for the**



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

25 SECTION 31. IC 6-1.1-31-1 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. (a) The state
 27 board of tax commissioners shall do the following:

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



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

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

5 SECTION 32. IC 6-1.1-31-5 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) The rules
7 promulgated by the state board of tax commissioners are the basis for
8 determining the true tax value of tangible property.

9 (b) Local assessing officials, members of the county property tax
10 assessment board of appeals, and county assessors shall:

11 (1) comply with the rules, appraisal manuals, bulletins, and
12 directives adopted by the state board of tax commissioners;

13 (2) use the property tax forms, property tax returns, and notice
14 forms prescribed by the board; and

15 (3) collect and record the data required by the board.

16 (c) In assessing tangible property, the township assessors, members
17 of the county property tax assessment board of appeals, and county
18 assessors may consider factors in addition to those prescribed by the
19 state board of tax commissioners if the use of the additional factors is
20 first approved by the board. Each township assessor, **each member** of
21 the county property tax assessment board of appeals, and the county
22 assessor shall indicate on **his the** records for each individual
23 assessment whether:

24 (1) only the factors contained in the board's rules, forms, and
25 returns have been considered; or

26 (2) factors in addition to those contained in the board's rules,
27 forms, and returns have been considered.

28 SECTION 33. IC 6-1.1-31-6 IS AMENDED TO READ AS
29 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 6. (a) With
30 respect to the assessment of real property, the rules of the state board
31 of tax commissioners shall provide for:

32 (1) the ~~classification~~ **just valuation** of land on the basis of
33 **comparable sales for nonagricultural land and income**
34 **capitalization for agricultural land using classifications and**
35 **the most recent objectively verifiable data concerning:**

36 (i) acreage;

37 (ii) lots;

38 (iii) size;

39 (iv) location;

40 (v) use;

41 (vi) productivity or earning capacity;

42 (vii) applicable zoning provisions;

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- 1 (viii) accessibility to highways, sewers, and other public
 2 services or facilities; and
 3 (ix) any other factor that the board determines by rule is just
 4 and proper; and
 5 (2) ~~the classification determining reproduction cost and~~
 6 **depreciation** of improvements on the basis of **classifications and**
 7 **objectively verifiable data concerning:**
 8 (i) size;
 9 (ii) location;
 10 (iii) use;
 11 (iv) type and character of construction;
 12 (v) age;
 13 (vi) condition;
 14 (vii) cost of reproduction; and
 15 (viii) any other factor that the board determines by rule is just
 16 and proper.
- 17 (b) With respect to the assessment of real property, the rules of the
 18 state board of tax commissioners shall **use the most recent objectively**
 19 **verifiable data at the time the rules are adopted and** include
 20 instructions for determining:
 21 (1) the proper classification of real property;
 22 (2) the size of real property;
 23 (3) the effects that location and use have on the **true tax** value of
 24 real property;
 25 (4) the depreciation, including physical deterioration and
 26 obsolescence, of real property;
 27 (5) the cost of reproducing improvements;
 28 (6) the productivity or earning capacity of land; and
 29 (7) the true tax value of real property based on the factors listed
 30 in this subsection and any other factor that the board determines
 31 by rule is ~~just and proper~~: **necessary to provide for the just**
 32 **valuation of property.**
- 33 (c) With respect to the assessment of real property, true tax value
 34 does not mean fair market value. True tax value is the value determined
 35 under the rules of the state board of tax commissioners.
- 36 SECTION 34. IC 6-1.1-31-7 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 7. (a) With
 38 respect to the assessment of personal property, the rules of the state
 39 board of tax commissioners shall provide for the ~~classification just~~
 40 **valuation** of personal property on the basis of **the most recent**
 41 **objectively verifiable data concerning:**
 42 (1) date of purchase;

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- 1 (2) location;
 2 (3) use;
 3 (4) depreciation, obsolescence, and condition; and
 4 (5) any other factor that the board determines by rule is ~~just and~~
 5 ~~proper.~~ **necessary to provide for the just valuation of property.**
 6 (b) With respect to the assessment of personal property, the rules of
 7 the state board of tax commissioners shall **use the most recent**
 8 **objectively verifiable data at the time the rules are adopted and**
 9 include instructions for determining:
 10 (1) the proper classification of personal property;
 11 (2) the effect that location has on the **true tax** value of personal
 12 property;
 13 (3) the cost of reproducing personal property;
 14 (4) the depreciation, including physical deterioration and
 15 obsolescence, of personal property; and
 16 (5) the true tax value of personal property based on the factors
 17 listed in this subsection and any other factor that the board
 18 determines by rule is ~~just and proper.~~ **necessary to provide for**
 19 **the just valuation of property.**
 20 (c) In providing for the classification of personal property and the
 21 instructions for determining the items listed in subsection (b), the state
 22 board of tax commissioners shall not include the value of land as a cost
 23 of producing tangible personal property subject to assessment.
 24 (d) **The rules of the state board of tax commissioners must**
 25 **include instructions for determining the starting point for the**
 26 **valuation of used depreciable personal property after a sale or**
 27 **transfer of the property.**
 28 ~~(d)~~ (e) With respect to the assessment of personal property, true tax
 29 value does not mean fair market value. True tax value is the value
 30 determined under **the** rules of the state board of tax commissioners.
 31 SECTION 35. IC 6-1.1-31-11 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 11. (a) The state
 33 board of tax commissioners shall adopt rules under IC 4-22-2 to govern
 34 the practice of representatives in proceedings before the property tax
 35 assessment board of appeals and the state board of tax commissioners
 36 under IC 6-1.1-15.
 37 (b) **The rules adopted under subsection (a) may not restrict**
 38 **the ability of a representative to present evidence regarding the**
 39 **assessment of property under review in a proceeding before the**
 40 **property tax assessment board of appeals or the state board of tax**
 41 **commissioners.**
 42 SECTION 36. IC 6-1.1-33-3 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. The division of
2 tax review shall:

3 (1) conduct continuing studies in the areas in which the state
4 board of tax commissioners operates;

5 (2) make periodic field surveys and audits of tax rolls, plat books,
6 building permits, real estate transfers, gross income tax returns,
7 federal income tax returns, and other data which may be useful in
8 checking property valuations or taxpayer returns;

9 (3) make test checks of property valuations; ~~and~~

10 (4) furnish the state board of tax commissioners with information
11 which the board requests. The division shall furnish the
12 information in the form and at the time which the board directs;
13 **and**

14 **(5) conduct continuing studies of personal and real property**
15 **tax deductions and abatement used throughout Indiana. The**
16 **division in conjunction with the department of commerce**
17 **shall prepare a biennial report addressing the benefits**
18 **achieved by granting tax abatements that includes findings,**
19 **the number and amount of deductions and abatements**
20 **granted by type of taxpayer and property, and**
21 **recommendations on retaining or repealing each category of**
22 **abatement. The state board of tax commissioners shall review**
23 **and may revise then approve the report. Before May 1 of each**
24 **even-numbered year, the chairperson of the state board of tax**
25 **commissioners shall present the report at a meeting of the**
26 **budget committee and submit the report to the legislative**
27 **services agency for distribution to the members of the general**
28 **assembly.**

29 SECTION 37. IC 6-1.1-35.2-2 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 2. (a) In any year
31 in which an assessing official, a county assessor, or a member of a
32 county property tax assessment board of appeals takes office for the
33 first time, the state board of tax commissioners shall conduct training
34 sessions determined under the rules adopted by the state board of tax
35 commissioners under IC 4-22-2 for these new officials. These sessions
36 must be held at sufficient convenient locations throughout Indiana **and**
37 **at times that are sufficient to provide each county assessor and**
38 **assessing official with an opportunity to attend the training.**

39 (b) Any new assessing official, county assessor, or member of a
40 county property tax assessment board of appeals who attends a required
41 session is entitled to receive the per diem per session set by the state
42 board of tax commissioners by rule adopted under IC 4-22-2 and a

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1 mileage allowance from the county in which the official resides.

2 (c) A person is entitled to a mileage allowance under this section
3 only for travel between the person's place of work and the training
4 session nearest to the person's place of work.

5 SECTION 38. IC 6-1.1-35.2-3 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 3. (a) Each year
7 the state board of tax commissioners shall conduct the continuing
8 education sessions required in the rules adopted by the state board of
9 tax commissioners for all assessing officials, county assessors, and all
10 members of, and hearing officers for, the county property tax
11 assessment board of appeals. These sessions must be conducted at
12 sufficient convenient locations throughout Indiana.

13 (b) **Sessions must be offered a number of times that are**
14 **sufficient to provide each level one assessor and level two assessor**
15 **with an opportunity to attend continuing education sessions every**
16 **two (2) years to maintain certification for each level under**
17 **IC 6-1.1-35.5.**

18 (c) Any assessing official, county assessor, or member of, and
19 hearing officers for, the county property tax assessment board of
20 appeals who attends required sessions is entitled to receive a mileage
21 allowance and the per diem per session set by the state board of tax
22 commissioners by rule adopted under IC 4-22-2 from the county in
23 which the official resides. A person is entitled to a mileage allowance
24 under this section only for travel between the person's place of work
25 and the training session nearest to the person's place of work.

26 SECTION 39. IC 6-1.1-35.2-4 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. The training
28 programs prescribed by this chapter must be designed so that the
29 attendees at a program are prepared to train their subordinates. **In**
30 **addition, the training programs must include:**

31 (1) **a course on basic assessment administration with an**
32 **examination; and**

33 (2) **the information necessary to obtain a level one**
34 **certification under rules adopted by the state board of tax**
35 **commissioners.**

36 SECTION 40. IC 6-1.1-35.5-3 IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 3. The state board
38 of tax commissioners shall design two (2) assessor-appraiser
39 examinations, to be called "level one" and "level two". All citizens of
40 Indiana are eligible to apply for and to be examined under "level one"
41 and "level two" examinations, subject only to the resources and
42 limitations of the state board of tax commissioners in conducting the

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1 examinations **after giving priority to assessing officials.** Both
 2 examinations should cover the subjects of real estate appraising,
 3 accounting, and property tax law. Successful performance on the level
 4 one examination requires the minimum knowledge needed for effective
 5 performance as a county or township assessor under this article.
 6 Success on the level two examination requires substantial knowledge
 7 of the subjects covered in the examination.

8 SECTION 41. IC 6-1.1-35.5-4 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. (a) The level
 10 one examination shall be given in the month of July, and the level two
 11 examination shall be given in the month of August. Both level
 12 examinations also shall be offered annually immediately following the
 13 conference of state board of tax commissioners and at any other times
 14 that coordinate with ~~applicable courses of instruction: training~~
 15 **sessions conducted under IC 6-1.1-35.2-2.** The state board of tax
 16 commissioners may also give either or both examinations at other times
 17 throughout the year.

18 (b) Examinations shall be held **each year, at the times prescribed**
 19 **in subsection (a),** in Indianapolis at a ~~location~~ **and at not less than**
 20 **four (4) other convenient locations** chosen by the state board of tax
 21 commissioners.

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

26 SECTION 42. IC 6-1.1-35.5-6 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 6. (a) The state
 28 board of tax commissioners shall certify all persons who successfully
 29 perform **on** an examination under this chapter and shall furnish ~~them~~
 30 **each successful examinee** with a certificate that prominently displays
 31 the name of the successful examinee and the fact that ~~he~~ **the person** is
 32 a level one or level two certified Indiana assessor-appraiser.

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

41 SECTION 43. IC 6-1.1-36-17 IS ADDED TO THE INDIANA
 42 CODE AS A NEW SECTION TO READ AS FOLLOWS



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1 [EFFECTIVE JANUARY 1, 2000]: **Sec. 17. A property owner that**
 2 **files a voluntary or involuntary bankruptcy petition under federal**
 3 **bankruptcy law (11 U.S.C. 101 et seq.) shall provide notice of the**
 4 **filing to the county auditor not more than thirty (30) days after the**
 5 **filing if the assessed value of the property owner's property is at**
 6 **least one hundred thousand dollars (\$100,000).**

7 SECTION 44. IC 6-1.1-37-9 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]:
 9 Sec. 9. (a) This section applies when:

10 (1) an assessment is made or increased after the date or dates on
 11 which the taxes for the year for which the assessment is made
 12 were originally due;

13 (2) the assessment upon which a taxpayer has been paying taxes
 14 under ~~IC 6-1.1-15-10(a)(1) or (a)(2)~~ **IC 6-1.1-15-10(b)(1) or**
 15 **IC 6-1.1-15-10(b)(2)** while a petition for review or an appeal has
 16 been pending is less than the assessment that results from the
 17 final determination of the petition for review or appeal; or

18 (3) the collection of certain ad valorem property taxes has been
 19 enjoined under IC 33-3-5-11, and under the final determination of
 20 the appeal the taxpayer is liable for at least part of those taxes.

21 (b) Except as provided in subsection (f), a taxpayer shall pay interest
 22 on the taxes the taxpayer is required to pay as a result of an action or
 23 determination described in subsection (a) at the rate of ten percent
 24 (10%) per year from the original due date or dates for those taxes to:

25 (1) the date of payment; or

26 (2) the date on which penalties for the late payment of a tax
 27 installment may be charged under subsection (d) or (e);

28 whichever occurs first.

29 (c) With respect to an action or determination described in
 30 subsection (a), the taxpayer shall pay the taxes resulting from that
 31 action or determination and the interest prescribed under subsection (b)
 32 on or before:

33 (1) the next May 10; or

34 (2) the next November 10;

35 whichever occurs first.

36 (d) A taxpayer shall begin paying the penalty prescribed in section
 37 10 of this chapter on the day after the date for payment prescribed in
 38 subsection (c) if:

39 (1) he has not paid the amount of taxes resulting from the action
 40 or determination; and

41 (2) he either:

42 (A) received notice of the taxes he is required to pay as a result

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1 of the action or determination at least thirty (30) days before
 2 the date for payment; or
 3 (B) voluntarily signed and filed an assessment return for the
 4 taxes.

5 (e) If subsection (d) does not apply, a taxpayer who has not paid the
 6 amount of taxes resulting from the action or determination shall begin
 7 paying the penalty prescribed in section 10 of this chapter on:

- 8 (1) the next May 10 which follows the date for payment
 9 prescribed in subsection (c); or
 10 (2) the next November 10 which follows the date for payment
 11 prescribed in subsection (c);

12 whichever occurs first.

13 (f) A taxpayer is not subject to the payment of interest on real
 14 property assessments under subsection (b) if:

- 15 (1) an assessment is made or increased after the date or dates on
 16 which the taxes for the year for which the assessment is made
 17 were due;
 18 (2) the assessment or the assessment increase is made as the result
 19 of error or neglect by the assessor or by any other official
 20 involved with the assessment of property or the collection of
 21 property taxes; and
 22 (3) the assessment:
 23 (A) would have been made on the normal assessment date if
 24 the error or neglect had not occurred; or
 25 (B) increase would have been included in the assessment on
 26 the normal annual assessment date if the error or neglect had
 27 not occurred.

28 SECTION 45. IC 6-1.1-40-11 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 11. (a) A person
 30 that desires to obtain the deduction provided by section 10 of this
 31 chapter must file a certified deduction application, on forms prescribed
 32 by the state board of tax commissioners, with:

- 33 (1) the auditor of the county in which the new manufacturing
 34 equipment and inventory is located; and
 35 (2) the ~~state board of tax commissioners~~ **designating body**.

36 A person that timely files a personal property return under
 37 IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment
 38 is installed or the inventory is subject to assessment must file the
 39 application between March 1 and May 15 of that year. A person that
 40 obtains a filing extension under IC 6-1.1-3-7(b) for the year in which
 41 the new manufacturing equipment is installed or the inventory is
 42 subject to assessment must file the application between March 1 and



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- 1 June 14 of that year.
- 2 (b) The application required by this section must contain the
3 following information:
- 4 (1) The name of the owner of the new manufacturing equipment
5 and inventory.
- 6 (2) A description of the new manufacturing equipment and
7 inventory.
- 8 (3) Proof of the date the new manufacturing equipment was
9 installed.
- 10 (4) The amount of the deduction claimed for the first year of the
11 deduction.
- 12 (c) A deduction application must be filed under this section in the
13 year in which the new manufacturing equipment is installed or the
14 inventory is subject to assessment and in each of the immediately
15 succeeding nine (9) years.
- 16 (d) The ~~state board of tax commissioners~~ **designating body** shall
17 review and verify the correctness of each application and shall notify
18 the county auditor ~~of the county in which the property is located~~ that
19 the application is approved or denied or that the amount of the
20 deduction is altered. Upon notification of approval of the application
21 or of alteration of the amount of the deduction, the county auditor shall
22 make the deduction.
- 23 (e) If the ownership of new manufacturing equipment changes, the
24 deduction provided under section 10 of this chapter continues to apply
25 to that equipment if the new owner:
- 26 (1) continues to use the equipment in compliance with any
27 standards established under section 7(c) of this chapter; and
28 (2) files the applications required by this section.
- 29 (f) The amount of the deduction is:
- 30 (1) the percentage under section 10 of this chapter that would
31 have applied if the ownership of the property had not changed;
32 multiplied by
33 (2) the assessed value of the equipment for the year the deduction
34 is claimed by the new owner.
- 35 SECTION 46. IC 36-2-5-3 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. (a) The county
37 fiscal body shall fix the compensation of officers, deputies, and other
38 employees whose compensation is payable from the county general
39 fund, county highway fund, county health fund, county park and
40 recreation fund, aviation fund, or any other fund from which the county
41 auditor issues warrants for compensation. This includes the power to:
42 (1) fix the number of officers, deputies, and other employees;

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- 1 (2) describe and classify positions and services;
- 2 (3) adopt schedules of compensation; and
- 3 (4) hire or contract with persons to assist in the development of
- 4 schedules of compensation.

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

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

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

18 SECTION 47. IC 36-2-7-13 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 13. The county
 20 fiscal body may grant to the county assessor, in addition to the
 21 compensation fixed under IC 36-2-5, a per diem for each day that the
 22 assessor is engaged in general reassessment activities, **including**
 23 **service on the county land valuation commission.** This section
 24 applies regardless of whether professional assessing services are
 25 provided under a contract to one (1) or more townships in the county.

26 SECTION 48. IC 36-4-10-5 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. (a) This section
 28 applies to second class cities.

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

- 31 (1) Prescribe the form of reports and accounts to be submitted to
- 32 the department.
- 33 (2) Sign and issue all warrants on the city treasury.
- 34 (3) Audit and revise all accounts and trusts in which the city is
- 35 concerned.
- 36 (4) Keep separate accounts for each item of appropriation made
- 37 for each city department, including a statement showing the
- 38 amount drawn on each appropriation, the unpaid contracts
- 39 charged against it, and the balance remaining.
- 40 (5) At the end of each fiscal year, submit under oath to the city
- 41 legislative body a report of the accounts of the city published in
- 42 pamphlet form and showing revenues, receipts, expenditures, and

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- 1 the sources of revenues.
- 2 (6) Maintain custody of the records of the department and turn
- 3 them over to the fiscal officer's successor in office.
- 4 (7) Perform duties prescribed by statute concerning the
- 5 negotiation of city bonds, notes, and warrants.
- 6 (8) Keep a register of bonds of the city and of transfers of those
- 7 bonds.
- 8 (9) Manage the finances and accounts of the city and make
- 9 investments of city money, subject to the ordinances of the
- 10 legislative body.
- 11 (10) Issue city licenses on payment of the license fee.
- 12 (11) Collect fees as fixed by ordinance.
- 13 (12) Pay into the city treasury, once each week, all fees and other
- 14 city money collected by the department during the preceding
- 15 week, specifying the source of each item.
- 16 (13) Prescribe payroll and account forms for all city offices.
- 17 (14) Prescribe the manner in which salaries shall be drawn.
- 18 (15) Prescribe the manner in which creditors, officers, and
- 19 employees shall be paid.
- 20 (16) Provide that all salaries are payable monthly, unless the
- 21 legislative body establishes more frequent payments.
- 22 (17) Notify the city executive of the failure of any city officer to
- 23 collect money due the city or to pay city money into the city
- 24 treasury.
- 25 (18) Draw warrants on the city treasury for miscellaneous city
- 26 expenditures not made under the direction of a department and
- 27 not specifically fixed by statute.
- 28 **(19) Examine for proper form concerning city taxes the tax**
- 29 **duplicates held by the county auditor and county treasurer.**
- 30 SECTION 49. IC 36-6-8-5 IS AMENDED TO READ AS
- 31 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) When
- 32 performing the real property reassessment duties prescribed by
- 33 IC 6-1.1-4, ~~an elected~~ a township assessor may receive per diem
- 34 compensation, in addition to salary, at a rate fixed by the county fiscal
- 35 body, for each day that he is engaged in reassessment activities,
- 36 **including service on the county land valuation commission.**
- 37 (b) Subsection (a) applies regardless of whether professional
- 38 assessing services are provided to a township under contract.
- 39 SECTION 50. IC 6-1.1-12.1-5.8 IS REPEALED [EFFECTIVE
- 40 JANUARY 1, 2000].
- 41 SECTION 51. IC 6-1.1-30-9 IS REPEALED [EFFECTIVE UPON
- 42 PASSAGE].

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1 SECTION 52. [EFFECTIVE JANUARY 1, 2000] (a) **The**
 2 **commission on state tax and financing policy (IC 2-5-3) shall study**
 3 **the issue of annual adjustments to the true tax values of real**
 4 **property in Indiana and the need for periodic physical inspections**
 5 **of real property. The commission may recommend to the general**
 6 **assembly any statutory changes necessary or desirable to**
 7 **implement a system for making annual adjustments and any**
 8 **changes to the laws governing general reassessments when an**
 9 **annual adjustment system is in place.**

10 (b) **This SECTION expires January 1, 2001.**

11 SECTION 53. [EFFECTIVE JANUARY 1, 2000] **IC 6-1.1-15-1,**
 12 **IC 6-1.1-15-4, IC 6-1.1-15-5, IC 6-1.1-15-9, IC 6-1.1-15-10,**
 13 **IC 6-1.1-15-11, and IC 6-1.1-17-1, all as amended by this act, and**
 14 **IC 6-1.1-15-10.5 and IC 6-1.1-17-2.5, both as added by this act,**
 15 **apply to property taxes first due and payable after December 31,**
 16 **1999.**

17 SECTION 54. [EFFECTIVE UPON PASSAGE] **There is**
 18 **appropriated from the state general fund to the state board of tax**
 19 **commissioners the amount necessary, as determined by the budget**
 20 **agency, to eliminate the backlog of appeals before January 1, 2003.**

21 SECTION 55. P.L.63-1993, SECTION 2, IS AMENDED TO READ
 22 AS FOLLOWS [EFFECTIVE JULY 1, 1999]: SECTION 2. (a)
 23 Notwithstanding IC 5-14-3, a sales disclosure form under IC 6-1.1-5.5,
 24 as added by this act, is not a public record and may only be used by the
 25 state board of tax commissioners or persons acting on behalf of the
 26 state board of tax commissioners for the purpose of performing a study
 27 under SECTION 3 of this act. Information contained on the form may
 28 not be used in a:

- 29 (1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13,
- 30 IC 6-1.1-14, or IC 6-1.1-15;
- 31 (2) petition for a correction of error under IC 6-1.1-15-12; or
- 32 (3) petition for refund under IC 6-1.1-26.

33 (b) Notwithstanding IC 6-1.1-5.5-8, as added by this act, the county
 34 recorder shall maintain a sales disclosure form filed under
 35 IC 6-1.1-5.5-3 until the state board of tax commissioners issues
 36 permission to destroy the form.

37 (c) **This SECTION expires December 31, 1999: applies to**
 38 **assessments made before March 1, 2001.**

39 SECTION 56. P.L.63-1993, SECTION 3, IS AMENDED TO READ
 40 AS FOLLOWS [EFFECTIVE JULY 1, 1999]: SECTION 3. (a) The
 41 state board of tax commissioners shall conduct a study to determine the
 42 impact of converting the current property tax assessment system to a



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1 system based on fair market value. The board shall determine the fiscal,
 2 legal, and administrative impact on state and local government, and the
 3 fiscal impact on the owners of the various classifications of property in
 4 Indiana. A fair market value system is a system that analyzes sales of
 5 comparable properties, income information, and reproduction cost to
 6 arrive at the proper valuation of property for property tax assessment
 7 purposes.

8 (b) The board shall report the design of the study to the general
 9 assembly on or before December 1, 1993.

10 (c) The board shall collect data from a sufficient sampling of
 11 various classifications of property throughout Indiana. County officials
 12 shall cooperate in the study by furnishing data as required by the board.

13 (d) The board shall study the assessing systems, including
 14 methodology, structure, and procedure, in other states that use a
 15 property tax assessment system based on fair market value.

16 (e) The board shall perform the study and report the results and the
 17 board's recommendations for implementation of a property tax system
 18 based on fair market value to the general assembly on or before
 19 December 1, 1996.

20 (f) The report and data collected in the study may not be used in a:

- 21 (1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13,
- 22 IC 6-1.1-14, or IC 6-1.1-15;
- 23 (2) petition for a correction of error under IC 6-1.1-15-12; or
- 24 (3) petition for refund under IC 6-1.1-26.

25 (g) This SECTION ~~expires December 31, 1999~~; **applies to**
 26 **assessments made before March 1, 2001.**

27 SECTION 57. [EFFECTIVE JANUARY 1, 2000] **IC 6-1.1-10-25,**
 28 **as amended by this act, and IC 6-1.1-10-42, as added by this act,**
 29 **apply only to property taxes due and payable after December 31,**
 30 **1999.**

31 SECTION 58. **An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1005, 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:

Delete the title and insert the following:

A BILL FOR AN ACT TO AMEND THE INDIANA CODE concerning taxation and to make an appropriation.

Page 5, line 16, strike "December" and insert "**January**".

Page 5, line 16, strike "preceding the year".

Page 5, line 21, after "March 31" insert "**of the year preceding the year in which the general reassessment commences**".

Page 6, between lines 9 and 10, begin a new paragraph and insert:

"(i) Within twenty (20) days after notice to the county and township assessor is given under subsection (h), a taxpayer may request that the county property tax assessment board of appeals reconsider the values. The county property tax assessment board of appeals may hold a hearing on the reconsideration in the county. The county property tax assessment board of appeals shall give notice of the hearing under IC 5-3-1."

Page 6, line 10, delete "(i)" and insert "**(j)**".

Page 6, line 12, after "IC 6-1.1-15-1" insert "**after the taxpayer has received the notice under section 22 of this chapter**".

Page 6, line 21, delete "(j)" and insert "**(k)**".

Page 6, line 34, delete "2002" and insert "**2003**".

Page 7, line 31, strike "general" and insert "**assessment and**".

Page 7, line 31, strike "real".

Page 9, line 2, strike "Except as provided in subsection (c), the" and insert "**The**".

Page 15, line 9, delete the effective date "[EFFECTIVE JANUARY 1, 2000]" and insert the effective date "[EFFECTIVE MARCH 1, 2001]".

Page 15, line 9, before "Tangible" insert "**(a)**".

Page 15, line 11, delete ":".

Page 15, line 12, delete "(1)".

Page 15, run in lines 11 through 12.

Page 15, line 14, delete "; or" and insert ".".

Page 15, delete lines 15 through 18.

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

"(b) The state board of tax commissioners shall adopt rules under IC 4-22-2 that establish standards for assessing tangible property used by an exempt organization in a trade or business



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found to be in direct competition with a non-exempt, for-profit enterprise by a county assessor or a county property tax assessment board of appeals. Rules adopted under this section must do the following:

(1) Provide that an exempt organization may retain an exemption for tangible property that is:

(A) used for educational classrooms exempt under section 16 of this chapter;

(B) exempt under section 21 of this chapter; or

(C) used in direct competition with a non-exempt, for-profit enterprise if the exempt organization uses the tangible property to:

(i) provide goods or services to members of the community based on the ability of the consumer to pay; or

(ii) to make other recognized contributions to the community.

(2) Prescribe standards for the county assessor or county property tax assessment board of appeals to use in evaluating the extent that the exempt organization uses the tangible property to:

(A) provide goods or services to members of the community based on the ability of the consumer to pay; or

(B) to make other recognized contributions to the community.

(3) Set forth the elements required for the county assessor or county property tax assessment board of appeals to make a finding that an exempt organization is using tangible property in direct competition with a non-exempt, for-profit enterprise.

(4) Prescribe procedures for removing the exempt status of that portion of the exempt organization's tangible property used in direct competition with a non-exempt, for-profit enterprise.

(5) Prescribe procedures for the assessment of that portion of the exempt organization's tangible property used in direct competition with a non-exempt, for profit enterprise."

Page 15, strike lines 23 through 32.

Page 15, line 33, delete "(d)" and insert "(b)".

Page 15, line 34, after "occupied," insert "leased,".

Page 15, line 37, after "occupies," insert "leases,".

Page 36, line 24, after "hearing" insert "as follows:

(1) In the case of a petition filed after December 31, 1998, and

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before January 1, 2001, the board of appeals shall, at its earliest opportunity, conduct a hearing on the assessment either in the year in which the petition is filed or in the following year.

(2) In the case of a petition filed after December 31, 2000, the board of appeals shall hold a hearing".

Page 36, line 26, beginning with "The" begin a new line blocked left.

Page 36, line 36, delete "The" and insert "**In the case of a petition filed after December 31, 2000, the**".

Page 38, between lines 7 and 8, begin a new paragraph and insert:

"(e) This subsection applies only to petitions filed with the state board of tax commissioners after December 31, 1998, and before January 1, 2001. If the state board of tax commissioners fails to conduct a hearing and make a final determination required under this section within twelve (12) months after the state board receives a petition for review, the person who petitioned for review may request the tax court to grant an appeal under section 5 of this chapter, as if the state board had made a final determination affirming the board of appeal's action with respect to the assessment. A person may file a request for an appeal on a form prescribed by the state board of tax commissioners, requesting the tax court to consider a petition that is not heard by the state board of tax commissioners within the period prescribed by this subsection. Not more than sixty (60) days after the filing of a request for an appeal, the tax court shall inform the person filing the request whether the tax court will allow the appeal under section 5 of this chapter. The tax court has complete and sole discretion as to whether to allow or deny an appeal request filed under this subsection. If the tax court denies the appeal request, the state board of tax commissioners shall conduct a hearing and make a final determination required under this section not more than twelve (12) months after the appeal request is denied."

Page 38, line 8, strike "(e)" and insert "**(f) This subsection applies only to petitions filed with the state board of tax commissioners after December 31, 2000."**

Page 38, line 17, reset in roman "(g)".

Page 38, line 17, delete "(f):".

Page 38, line 24, reset in roman "(g)".

Page 38, line 24, delete "(f)".

Page 38, line 32, before "(f)" insert "(e) or".

Page 38, line 32, reset in roman "(f)".

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Page 38, line 32, delete "(e)".

Page 41, between lines 17 and 18, begin a new paragraph and insert:

"(c) To further the establishment of a uniform system of assessments and a collection of assessment decisions by the state board of tax commissioners on assessment appeals, the state board of tax commissioners shall compile, in writing, the basis for each decision on an assessment appeal. The compilation shall be available to the public."

Page 47, line 6, strike "not".

Page 49, delete lines 25 through 28.

Page 49, line 29, reset in roman "(c)".

Page 49, line 29, delete "(d)".

Page 50, between lines 19 and 20, begin a new paragraph and insert:

"(d) The rules of the state board of tax commissioners must include instructions for determining the starting point for the valuation of used depreciable personal property after a sale or transfer of the property."

Page 50, line 20, strike "(d)" and insert "(e)".

Page 55, line 19, delete "revoking" and insert **"deciding whether to revoke"**.

Page 58, line 39, delete the effective date "[EFFECTIVE JANUARY 1, 2003]" and insert the effective date "[EFFECTIVE JANUARY 1, 2000]".

Page 62, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 70. [EFFECTIVE UPON PASSAGE] The state board of tax commissioners shall adopt the rules required by IC 6-1.1-10-36.5, as amended by this act, before July 1, 2000."

Page 63, after line 42, begin a new paragraph and insert:

"SECTION 73. [EFFECTIVE UPON PASSAGE] There is appropriated from the state general fund to the state board of tax commissioners the amount necessary, as determined by the budget agency, to eliminate the backlog of appeals before January 1, 2003."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1005 as introduced.)

BAUER, Chair

Committee Vote: yeas 21, nays 4.

EH 1005—LS 8217/DI 58+



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HOUSE MOTION

Mr. Speaker: I move that House Bill 1005 be amended to read as follows:

Page 3, line 9, strike "1999," and insert "**2001**,".

Page 3, line 28, after "property" insert "**to account for annual changes in value**".

Page 3, line 31, delete "2004" and insert "**2001**".

Page 5, line 11, delete "commences. The" and insert "**commences, the**".

Page 8, delete lines 27 through 42.

Page 9, delete lines 1 through 2.

Page 9, line 27, delete "JULY 1, 1999]:" and insert "JANUARY 1, 2000]:".

Page 15, line 27, after "be" insert "**outside the stated purpose of the exempt organization and**".

Page 21, line 17, strike "ten (10)" and insert "**fifty (50)**".

Page 32, line 36, strike "state board of tax commissioners" and insert "**designating body**".

Page 32, line 38, strike "tax court." and insert "**circuit court of the county in which the property subject to the deduction is located.**".

Page 32, line 39, strike "the attorney general and".

Page 35, line 32, delete "2000]:" and insert "1999 (RETROACTIVE)]:".

Page 38, line 11, delete "2000]:" and insert "1999 (RETROACTIVE)]:".

Page 40, line 33, delete "2000]:" and insert "1999 (RETROACTIVE)]:".

Page 42, line 15, after "assessor" insert ".".

Page 42, line 15, delete "or an affected taxing unit. If the appeal is taken".

Page 42, delete lines 16 through 17.

Page 42, line 19, delete "2000]:" and insert "1999 (RETROACTIVE)]:".

Page 43, line 25, after "assessor" insert ".".

Page 43, line 25, delete "or an".

Page 43, delete lines 26 through 28.

Page 49, line 18, delete "1999]:" and insert "2000]:".

Page 52, line 36, delete "2004" and insert "**2001**".

Page 52, line 40, delete "2004" and insert "**2001**".

Page 53, line 1, delete "2004" and insert "**2001**".

Page 53, line 4, delete "2004" and insert "**2001**".

Page 54, line 10, delete "2003" and insert "**2000**".

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Page 54, line 34, after "division" insert "**in conjunction with the department of commerce**".

Page 54, line 41, before "state" insert "**chairperson of the**".

Page 58, line 5, delete "2000]:" and insert "1999 (RETROACTIVE)]:".

Page 63, between lines 3 and 4, begin a new paragraph and insert: "SECTION 70. IC 6-1.1-30-9 IS REPEALED [EFFECTIVE UPON PASSAGE].".

Page 64, line 29, before "The" insert "(a)".

Page 64, between lines 31 and 32, begin a new paragraph and insert: "**(b) The county land valuation commission shall implement the changes made by IC 6-1.1-4-13.6, as added by this act, in 1999.**

(c) The state board of tax commissioners shall apply the annual adjustments in value that will be used under IC 6-1.1-4-4.5 to change the replacement costs before the next general reassessment. The state board of tax commissioners shall use the most recent annual data to make the adjustments.

(d) The state board of tax commissioners may adopt rules before January 1, 2000, to implement the assessment of industrial facilities as required by IC 6-1.1-8.5, as added by this act, beginning in 2000."

Page 64, line 32, delete "During the".

Page 64, line 33, delete "2000 legislative interim, the" and insert "**The**".

Page 64, line 37, delete "for enactment in 2001".

Page 64, line 39, delete "beginning with the assessments for".

Page 64, line 40, delete "March 1, 2004,".

Renumber all SECTIONS consecutively.

(Reference is to HB 1005 as printed February 12, 1999.)

BAUER

HOUSE MOTION

Mr. Speaker: I move that House Bill 1005 be amended to read as follows:

Page 11, line 24, strike "or".

Page 11, between lines 26 and 27, begin a new line triple block indented and insert:

"(iii) a 4-H organization; or".

Page 11, line 34, strike "or".

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Page 11, between lines 36 and 37, begin a new line triple block indented and insert:

"(iii) a 4-H organization; or".

Page 15, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 16. IC 6-1.1-10-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 25. (a) Subject to the limitations contained in subsection (b), ~~of this section~~, tangible property is exempt from property taxation if it is owned by any of the following organizations:

- (1) The Young Men's Christian Association.
- (2) The Salvation Army, Inc.
- (3) The Knights of Columbus.
- (4) The Young Men's Hebrew Association.
- (5) The Young Women's Christian Association.
- (6) A chapter or post of Disabled American Veterans of World War I or II.
- (7) A chapter or post of the Veterans of Foreign Wars.
- (8) A post of the American Legion.
- (9) A post of the American War Veterans.
- (10) A camp of United States Spanish War Veterans.
- (11) The Boy Scouts of America, one (1) or more of its incorporated local councils, or a bank or trust company in trust for the benefit of one (1) or more of its local councils.
- (12) The Girl Scouts of the U.S.A., one (1) or more of its incorporated local councils, or a bank or trust company in trust for the benefit of one (1) or more of its local councils.
- (13) A nonprofit public radio station.**
- (14) A nonprofit public television station.**
- (15) A nonprofit organization that owns or leases land for the purpose of assisting or promoting higher education, if the land is not income producing.**
- (16) A 4-H organization.**

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

Page 16, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 19. IC 6-1.1-10-42 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: **Sec. 42. (a) A corporation that is:**

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



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

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

Page 66, between lines 7 and 8, begin a new paragraph and insert: "SECTION 77. [EFFECTIVE JANUARY 1, 2000] IC 6-1.1-10-25, as amended by this act, and IC 6-1.1-10-42, as added by this act, apply only to property taxes due and payable after December 31, 1999."

Renumber all SECTIONS consecutively.

(Reference is to HB 1005 as printed February 12, 1999.)

AVERY

HOUSE MOTION

Mr. Speaker: I move that House Bill 1005 be amended to read as follows:

Page 52, between lines 22 and 23, begin a new paragraph and insert: "SECTION 49. IC 6-1.1-31-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 11. (a) The state board of tax commissioners shall adopt rules under IC 4-22-2 to govern the practice of representatives in proceedings before the property tax assessment board of appeals and the state board of tax commissioners under IC 6-1.1-15.

(b) The rules adopted under subsection (a) may not restrict the ability of a representative to present evidence regarding the assessment of property under review in a proceeding before the property tax assessment board of appeals or the state board of tax commissioners."

Renumber all SECTIONS consecutively.

(Reference is to HB 1005 as printed February 12, 1999.)

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1005 be amended to read as follows:

Page 15, delete lines 18 through 42.

Page 16, delete lines 1 through 20.

Renumber all SECTIONS consecutively.

(Reference is to HB1005 as printed February 12, 1999.)

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred House Bill No. 1005, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Replace the effective date in SECTION 44 with "[EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]".

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 33.

Delete page 3.

Page 4, delete lines 1 through 4, begin a new paragraph and insert:
"SECTION 2. IC 6-1.1-4-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]:

Sec. 9. (a) In order to maintain a just and equitable valuation of real property, the state board of tax commissioners may adopt a resolution declaring its belief that it is necessary to reassess all or a portion of the real property located within this state. If the board adopts a reassessment resolution and if either a township or a larger area is involved, the board shall hold a hearing concerning the necessity for the reassessment at the courthouse of the county in which the property is located. The board shall give notice of the time and place of the hearing in the manner provided in section 10 of this chapter. After the hearing, or if the area involved is less than a township after the adoption of the board's resolution, the board may order any reassessment it deems necessary, **including the imposition of conditions contained in this section on the conduct of the next regularly scheduled general reassessment conducted under section 4 of this chapter.** The order shall specify the time within which the reassessment must be completed and the date the reassessment will become effective **and may contain additional conditions that the board finds appropriate for the orderly performance of the reassessment, including outside supervision of the reassessment by the board or its designees.**

(b) **All costs of a special reassessment shall be paid from the county's reassessment fund. The board may increase the reassessment fund levy of the county under section 27 of this chapter to meet the costs of a reassessment ordered under this section, and the board is entitled to reimbursement for its expenses from the fund. All expenditures relating to a reassessment ordered under this section shall be made pursuant to a budget approved in advance by the board.**"

Page 4, line 16, delete "One (1)" and insert "**Each**".

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Page 4, line 16, delete "from the county to be appointed" and insert "**, when the respective township land values for that township assessor's township are under consideration. A township assessor serving under this subdivision shall vote on all matters relating to the land values of that township assessor's township.**".

Page 4, delete line 17.

Page 4, line 20, delete "In the case of a tie vote, the" and insert "**The**".

Page 4, line 21, before "to" insert "**only**".

Page 4, line 21, delete "the" and insert "**a**".

Page 6, delete lines 38 through 42.

Page 7, delete lines 1 through 10.

Page 7, line 17, reset in roman "With respect to the general reassessment of real property which".

Page 7, reset in roman lines 18 through 21.

Page 7, line 22, reset in roman "an amount equal to".

Page 7, line 22, after "(3/14)" insert "**one fourth (1/4)**".

Page 7, line 22, reset in roman "of the estimated cost of the".

Page 7, reset in roman line 23.

Page 7, line 24, reset in roman "(c)".

Page 7, line 25, reset in roman "2003,".

Page 7, line 25, delete "2009,".

Page 7, line 25, reset in roman "fourth".

Page 7, line 25, delete "eighth".

Page 7, line 28, reset in roman "three (3)".

Page 7, line 28, delete "seven (7)".

Page 7, line 29, reset in roman "one-fourth (1/4)".

Page 7, line 30, delete "one-eighth (1/8)".

Page 7, line 31, reset in roman "(d)".

Page 7, line 31, delete "(c)".

Page 7, line 34, reset in roman "(e)".

Page 7, line 34, delete "(d)".

Page 7, delete lines 38 through 42.

Delete pages 8 through 9.

Page 10, delete lines 1 through 34.

Page 15, delete lines 34 through 42.

Page 16, delete lines 1 through 11.

Page 16, line 13, reset in bold "NEW".

Page 21, delete lines 14 through 42.

Delete pages 22 through 23.

Page 24, delete lines 1 through 12.

Page 30, line 26, reset in roman "certified deduction application".

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Page 30, line 26, delete "schedule,".

Page 30, line 27, after "with" insert ":",

Page 30, line 27, delete "the person's".

Page 30, delete lines 28 through 30.

Page 30, line 42, delete "schedule" and insert "**deduction application**".

Page 31, line 2, delete "schedule." and insert "**deduction application**".

Page 31, line 2, delete "A person failing to file the required schedule at".

Page 31, delete lines 3 through 4.

Page 31, line 5, delete "designating body before July 10 of each year."

Page 31, line 8, delete "schedule" and insert "**deduction application**".

Page 31, line 10, reset in roman "deduction application".

Page 31, line 10, delete "schedule".

Page 31, line 22, reset in roman "deduction application".

Page 31, line 22, delete "schedule".

Page 31, line 28, reset in roman "deduction application".

Page 31, line 28, delete "schedule".

Page 31, line 31, reset in roman "deduction application".

Page 31, line 31, delete "schedule".

Page 31, line 36, reset in roman "deduction application".

Page 31, line 37, delete "schedule".

Page 31, line 38, reset in roman "deduction application".

Page 31, line 38, delete "schedule".

Page 31, line 40, reset in roman "deduction application".

Page 31, line 40, delete "schedule".

Page 32, delete lines 25 through 42.

Page 33, delete lines 1 through 26.

Page 37, line 29, delete "." and insert "**except as provided in subsection (h)**".

Page 37, line 36, after "(400,000)." insert "**The board of appeals shall have a written record of the hearing and prepare a written statement of findings and a decision on each item within one hundred twenty (120) days of the hearing.**".

Page 38, line 4, delete "In addition,".

Page 38, delete lines 5 through 6.

Page 38, line 7, delete "chapter and shall be forwarded with the petition for review."

Page 38, line 9, delete "The notice must".

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- Page 38, delete lines 10 through 11.
 Page 38, line 40, reset in roman "and".
 Page 38, line 41, delete ", and the affected taxing units required to be notified" and insert ":".
 Page 38, delete line 42.
 Page 41, line 37, strike "eight hundred" and insert "**fifty**".
 Page 41, line 37, strike "\$800,000);" and insert "**(\$50,000);**".
 Page 41, line 38, strike "ten" and insert "**one**".
 Page 41, line 38, strike "(10%)" and insert "**(1%)**".
 Page 41, line 42, delete "." and insert "**or elected township assessor.**".
 Page 43, line 8, delete "." and insert "**or elected township assessor.**".
 Page 47, delete lines 11 through 42.
 Page 48, delete lines 1 through 10.
 Page 52, delete lines 14 through 42.
 Delete page 53.
 Page 54, delete lines 1 through 7.
 Page 54, delete lines 37 through 42.
 Page 55, delete line 1.
 Page 56, line 33, delete "annually" and insert "**each year, at the times prescribed in subsection (a),**".
 Page 57, delete lines 13 through 29.
 Page 60, delete lines 24 through 29.
 Page 62, delete lines 25 through 26.
 Page 62, delete lines 40 through 42.
 Delete page 63.
 Page 64, delete lines 1 through 36.
 Page 65, delete lines 11 through 42.
 Page 66, delete lines 1 through 7.
 Page 66, between lines 11 and 12, begin a new paragraph and insert:
 "SECTION 54. P.L.63-1993, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: SECTION 2. (a) Notwithstanding IC 5-14-3, a sales disclosure form under IC 6-1.1-5.5, as added by this act, is not a public record and may only be used by the state board of tax commissioners or persons acting on behalf of the state board of tax commissioners for the purpose of performing a study under SECTION 3 of this act. Information contained on the form may not be used in a:
 (1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13, IC 6-1.1-14, or IC 6-1.1-15;
 (2) petition for a correction of error under IC 6-1.1-15-12; or

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(3) petition for refund under IC 6-1.1-26.

(b) Notwithstanding IC 6-1.1-5.5-8, as added by this act, the county recorder shall maintain a sales disclosure form filed under IC 6-1.1-5.5-3 until the state board of tax commissioners issues permission to destroy the form.

(c) This SECTION ~~expires December 31, 1999~~; **applies to assessments made before March 1, 2001.**

SECTION 55. P.L.63-1993, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: SECTION 3. (a) The state board of tax commissioners shall conduct a study to determine the impact of converting the current property tax assessment system to a system based on fair market value. The board shall determine the fiscal, legal, and administrative impact on state and local government, and the fiscal impact on the owners of the various classifications of property in Indiana. A fair market value system is a system that analyzes sales of comparable properties, income information, and reproduction cost to arrive at the proper valuation of property for property tax assessment purposes.

(b) The board shall report the design of the study to the general assembly on or before December 1, 1993.

(c) The board shall collect data from a sufficient sampling of various classifications of property throughout Indiana. County officials shall cooperate in the study by furnishing data as required by the board.

(d) The board shall study the assessing systems, including methodology, structure, and procedure, in other states that use a property tax assessment system based on fair market value.

(e) The board shall perform the study and report the results and the board's recommendations for implementation of a property tax system based on fair market value to the general assembly on or before December 1, 1996.

(f) The report and data collected in the study may not be used in a:

- (1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13, IC 6-1.1-14, or IC 6-1.1-15;
- (2) petition for a correction of error under IC 6-1.1-15-12; or
- (3) petition for refund under IC 6-1.1-26.

(g) This SECTION ~~expires December 31, 1999~~; **applies to assessments made before March 1, 2001.**"

Renumber all SECTIONS consecutively.

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and when so amended that said bill do pass.

(Reference is to HB 1005 as reprinted February 19, 1999.)

BORST, Chairperson

Committee Vote: Yeas 9, Nays 2.

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