February 12, 1999

HOUSE BILL No. 1005

DIGEST OF HB 1005 (Updated February 10, 1999 1:56 pm - DI 58)

Citations Affected: IC 6-1.1; IC 20-5; IC 36-2; IC 36-4; IC 36-6; noncode.

Synopsis: Property tax assessment. Amends various provisions concerning the general reassessment, real and personal property assessment, assessor training, land valuation, industrial property assessments, 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: Upon passage; January 1, 1999; July 1, 1999; January 1, 2000; January 1, 2001; March 1, 2001; January 1, 2003.

Bauer

January 27, 1999, read first time and referred to Committee on Ways and Means.
February 11, 1999, amended, reported — Do Pass.

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February 12, 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.

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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:

SECTION 1. IC 6-1.1-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. "Assessed value" or "assessed valuation" means an amount equal to:

(1) for assessment dates before March 1, ~~2001,~~ **2003,** thirty-three and one-third percent (33 1/3%) of the true tax value of property; and

(2) for assessment dates after February 28, ~~2001,~~ **2003,** the true tax value of property.

SECTION 2. IC 6-1.1-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 4. (a) **This section does not apply to real property that is:**

(1) owned by an owner who is exempt from taxation under this article;

(2) leased, held, occupied, or possessed by another person who is not an exempt organization; and

(3) assessed and taxed as if it were the real property of the person that leases, holds, occupies, or possesses the property

under IC 6-1.1-10-37.

(b) The owner of any real property on the assessment date of a year is liable for the taxes imposed for that year on the property, unless a person holding, possessing, controlling, or occupying any real property on the assessment date of a year is liable for the taxes imposed for that year on the property under a memorandum of lease or other contract with the owner that is recorded with the county recorder before January 1, 1998. A person holding, possessing, controlling, or occupying any personal property on the assessment date of a year is liable for the taxes imposed for that year on the property unless:

(1) the person establishes that the property is being assessed and taxed in the name of the owner; or

(2) the owner is liable for the taxes under a contract with that person.

When a person other than the owner pays any property taxes, as required by this section, that person may recover the amount paid from the owner, unless the parties have agreed to other terms in a contract.

~~(b)~~ **(c)** An owner on the assessment date of a year of real property that has an improvement or appurtenance that is:

(1) assessed as real property; and

(2) owned, held, possessed, controlled, or occupied on the assessment date of a year by a person other than the owner of the land;

is jointly liable for the taxes imposed for the year on the improvement or appurtenance with the person holding, possessing, controlling, or occupying the improvement or appurtenance on the assessment date.

~~(c)~~ **(d)** An improvement or appurtenance to land that, on the assessment date of a year, is held, possessed, controlled, or occupied by a different person than the owner of the land may be listed and assessed separately from the land only if the improvement or appurtenance is held, possessed, controlled, or occupied under a memorandum of lease or other contract that is recorded with the county recorder before January 1, 1998.

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

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

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SECTION 4. IC 6-1.1-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. Real property shall be assessed at the place where it is situated, and it shall be assessed to the person liable for the taxes under IC ~~1971,~~ 6-1.1-2-4 **or IC 6-1.1-10-37**.

SECTION 5. IC 6-1.1-4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, 1999, ~~and each fourth year thereafter.~~ **shall be completed on or before March 1, 2003, and shall be the basis for property taxes payable in 2004. A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, 2009, and each eighth year thereafter.** Each reassessment **that begins after June 30, 2009,** shall be completed on or before March 1 of the immediately following odd-numbered year and shall be the basis for taxes payable in the year following the year in which the general assessment is to be completed.

(b) In order to ensure that assessing officials and members of each county property tax assessment board of appeals are prepared for a general reassessment of real property, the state board of tax commissioners shall give adequate advance notice of the general reassessment to the county and township taxing officials of each county.

SECTION 6. IC 6-1.1-4-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 4.5. (a) The state board of tax commissioners shall adopt rules establishing a system for annually adjusting the assessed value of real property in those years when a general reassessment of property will not take effect.**

(b) The system must be applied in annually adjusting assessed values beginning with the 2004 assessment date.

(c) The system must have the following characteristics:

(1) Promote uniform and equal assessment of real property within and across classifications.

(2) Apply all objectively verifiable factors used in mass valuation techniques that are reasonably expected to affect the value of real property in Indiana.

(3) Prescribe as many adjustment percentages and whatever categories of percentages the board finds necessary to achieve objectively verifiable updated just valuations of real property. An adjustment percentage for a particular classification may be positive or negative.

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(4) Prescribe procedures, including computer software programs, that permit the application of the adjustment percentages in an efficient manner by assessing officials.

SECTION 7. IC 6-1.1-4-13.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.6. (a) ~~(a)~~ **As used in this section, "commission" refers to a county land valuation commission established under subsection (b).**

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

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

(d) The following are members of the commission:

(1) The county assessor.

(2) One (1) township assessor from the county to be appointed by the county executive (as defined in IC 36-1-2-5).

(3) One (1) township assessor from the county to be appointed by a majority vote of all the township assessors in the county. In the case of a tie vote, the county assessor shall cast a vote to break the tie.

(4) One (1) county resident who:

(A) holds a license under IC 25-34.1-3 as a salesperson or broker; and

(B) is appointed by the county executive (as defined in IC 36-1-2-5).

(5) Four (4) individuals who:

(A) are appointed by the county executive (as defined in IC 36-1-2-5); and

(B) represent one (1) of the following four (4) kinds of land in the county:

(i) Agricultural.

(ii) Commercial.

(iii) Industrial.

(iv) Residential.

Each of the four (4) kinds of land in the county must be represented by one (1) individual appointed under this subdivision.

(6) One (1) individual who:

(A) is appointed by the county executive (as defined in IC 36-1-2-5); and

(B) represents financial institutions in the county.

(e) The term of each member of the commission begins

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November 1, two (2) years before the general reassessment commences under IC 6-1.1-4-4, and ends January 1 of the year the general reassessment commences under IC 6-1.1-4-4. The appointing authority may fill a vacancy for the remainder of the vacated term.

(f) The ~~township assessor~~ **commission** shall determine the values of all classes of commercial, industrial, and residential land (including farm homesites) in the ~~township~~ **county** using guidelines determined by the state board of tax commissioners. Not later than November 1 of the year preceding the year in which a general reassessment ~~becomes effective, the assessor~~ **commences. The commission** determining the values of land shall submit the values, **all data supporting the values, and all information required under rules of the state board of tax commissioners relating to the determination of land values** to the county property tax assessment board of appeals. Not later than ~~December~~ **January** 1 of the year ~~preceding the year~~ in which a general reassessment ~~becomes effective,~~ **commences,** the county property tax assessment board of appeals shall hold a public hearing in the county concerning those values. The property tax assessment board of appeals shall give notice of the hearing in accordance with IC 5-3-1 and shall hold the hearing after March 31 **of the year preceding the year in which the general reassessment commences** and before ~~December~~ **January** 1 of the year ~~preceding the year~~ in which the general reassessment under IC 6-1.1-4-4 ~~becomes effective.~~ **commences.**

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

(h) The county property tax assessment board of appeals shall

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give notice to the county and township assessors of its decision on the values. The notice must be given before March 1 of the year the general reassessment under IC 6-1.1-4-4 commences. Within twenty (20) days after that notice, the county assessor or a township assessor in the county may request that the county property tax assessment board of appeals reconsider the values. The county property tax assessment board of appeals shall 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.

(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.

(j) A taxpayer may appeal the value determined under this section as applied to the taxpayer's land as part of an appeal filed under IC 6-1.1-15-1 after the taxpayer has received the notice under section 22 of this chapter. If a taxpayer that files an appeal under IC 6-1.1-15 requests the values, data, or information received by the county property tax assessment board of appeals under subsection (f), the county property tax assessment board of appeals shall satisfy the request. The state board of tax commissioners may modify the taxpayer's land value and the value of any other land in the township, county where the taxpayer's land is located, or the adjacent county if the state board of tax commissioners determines it is necessary to provide uniformity and equality.

~~(c)~~ **(k)** The county assessor shall notify all township assessors in the county of the values as ~~modified by the county property tax assessment board of appeals.~~ **determined by the commission and as modified by the county property tax assessment board of appeals or state board under this section.** Township assessors shall use the values determined under this section.

SECTION 8. IC 6-1.1-4-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 22. (a) If any assessing official or any county property tax assessment board of appeals assesses or reassesses any real property under the provisions of this article, the official or county property tax assessment board of appeals shall give notice to the taxpayer and the county assessor, by

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mail, of the amount of the assessment or reassessment. **For assessment dates after February 28, 2003, the notice required under this section must state the true tax value of the taxpayer's property.**

(b) During a period of general reassessment, each township assessor shall mail the notice required by this section within ninety (90) days after he:

(1) completes his appraisal of a parcel; or

(2) receives a report for a parcel from a professional appraiser or professional appraisal firm.

SECTION 9. IC 6-1.1-4-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27. (a) The auditor of each county shall establish a property reassessment fund. The county treasurer shall deposit all collections resulting from the property taxes that the county is required to levy under this section in the county's property reassessment fund.

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

~~(c)~~ With respect to a general reassessment of real property that is to commence on July 1, ~~2003,~~ **2009,** and each ~~fourth~~ **eighth** year thereafter, the county council of each county shall, for property taxes due in the year that the general reassessment is to commence and the ~~three (3)~~ **seven (7)** years preceding that year, levy against all the taxable property in the county an amount equal to ~~one-fourth (1/4)~~ **one-eighth (1/8)** of the estimated cost of the general reassessment.

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

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

SECTION 10. IC 6-1.1-4-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 28. (a) Money assigned to a property reassessment fund under section 27 of this chapter may be used only to pay the costs of:

(1) the ~~general~~ **assessment and** reassessment of ~~real~~ property, including the computerization of assessment records;

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(2) payments to county assessors, members of property tax assessment boards of appeals, or assessing officials under IC 6-1.1-35.2;

(3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;

(4) the updating of plat books; and

(5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist county assessors, members of a county property tax assessment board of appeals, and assessing officials.

(b) All counties shall use modern, detailed soil maps in the general reassessment of agricultural land.

(c) The county treasurer of each county shall, in accordance with IC 5-13-9, invest any money accumulated in the property reassessment fund until the money is needed to pay general reassessment expenses. Any interest received from investment of the money shall be paid into the property reassessment fund.

(d) An appropriation under this section ~~must~~ **may not** be approved by the fiscal body of the county ~~after the review and~~ **until after the fiscal body considers the** recommendation of the county assessor. However, in a county with an elected township assessor under IC 36-6-5-1 in every township, only the fiscal body must approve an appropriation under this section. **A request for an appropriation under this section must be submitted to the county assessor at the same time the request is submitted to the fiscal body.**

SECTION 11. IC 6-1.1-5-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 16. If an owner of existing contiguous parcels makes a written request that includes **a recorded deed having** a legal description of the existing contiguous parcels sufficient for the assessing official to identify each parcel and the area of all contiguous parcels, the assessing official shall consolidate more than one (1) existing contiguous parcel into a single parcel to the extent that the existing contiguous parcels are in a single taxing district and the same section. For existing contiguous parcels in more than one (1) taxing district or one (1) section, the assessing official shall, upon written request by the owner **that includes a recorded deed combining the contiguous parcels,** consolidate the existing contiguous parcels in each taxing district and each section into a single parcel. An assessing official shall consolidate more than one (1) existing contiguous parcel into a single parcel if the assessing official has knowledge that an improvement to the real property is

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located on or otherwise significantly affects the parcels **and the owner has recorded a deed combining the contiguous parcels.**

SECTION 12. IC 6-1.1-5.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. (a) Before filing a conveyance document with the county auditor under IC 6-1.1-5-4, all the parties to the conveyance must complete and sign a sales disclosure form as prescribed by the state board of tax commissioners under section 5 of this chapter. All the parties may sign one (1) form, or if all the parties do not agree on the information to be included on the completed form, each party may sign and file a separate form.

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

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

SECTION 13. IC 6-1.1-8.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]:

Chapter 8.5. Assessment of Industrial Facilities

Sec. 1. As used in this chapter, "industrial company" means an owner or user of industrial property.

Sec. 2. As used in this chapter, "industrial facility" means a company's real property that:

(1) has been classified as industrial property under the rules of the state board of tax commissioners; and

(2) has an estimated true tax value of at least twenty-five million dollars ($25,000,000) in a county.

The term includes real property that is used under an agreement under which the user exercises the beneficial rights of ownership for the majority of a year. The term does not include real property assessed under IC 6-1.1-8.

Sec. 3. An industrial facility shall be assessed in the manner prescribed in this chapter.

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Sec. 4. Before January 1, 2000, and before January 1 each year that a general reassessment commences under IC 6-1.1-4-4, each county assessor shall provide the state board of tax commissioners a list of each industrial facility located in the county.

Sec. 5. (a) Each township assessor shall notify the state board of tax commissioners of a newly constructed industrial facility that is located in the township served by the township assessor.

(b) The state board of tax commissioners shall schedule an assessment under this chapter of a newly constructed industrial facility within six (6) months of receiving notice of the construction from the appropriate township assessor.

Sec. 6. For purposes of the general reassessment under IC 6-1.1-4-4 or a new assessment, the state board of tax commissioners shall assess each industrial facility.

Sec. 7. The county assessor of the county in which the industrial facility is located shall provide support to the state board of tax commissioners's assessor during the course of the assessment of an industrial facility.

Sec. 8. (a) When the state board of tax commissioners determines its final assessments of an industrial facility, the board shall certify the true tax values to the county assessor and the county auditor of each county. In addition, if an industrial company has appealed the board's final assessment of the industrial facility, the board shall notify the county auditor of the appeal.

(b) The county assessor shall review the certification of the state board of tax commissioners to determine if any of an industrial company's property has been omitted and notify the board of additions the county assessor finds are necessary. The board shall consider the county assessor's findings and make any additions to the certification the board finds are necessary. The county auditor shall enter for taxation the assessed valuation of an industrial facility that is certified by the board.

Sec. 9. (a) A taxpayer or the county assessor of the county in which the industrial facility is located may appeal an assessment by the state board of tax commissioners made under this chapter to the division of appeals. An appeal under this section shall be conducted in the same manner as an appeal under IC 6-1.1-15-4 through IC 6-1.1-15-8. An assessment made under this chapter that is not appealed under this section is a final unappealable order of the state board of tax commissioners.

(b) The division of appeals shall hold a hearing on the appeal

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and issue an order within one (1) year of the date the appeal is filed.

Sec. 10. The state board of tax commissioners shall adopt rules to provide just valuations of industrial facilities under this chapter.

Sec. 11. This chapter is designed to provide special rules for the assessment and taxation of industrial facilities. If a provision of this chapter conflicts with a provision of another chapter of this article, the provision of this chapter controls with respect to the assessment and taxation of an industrial facility.

SECTION 14. IC 6-1.1-10-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 16. (a) All or part of a building is exempt from property taxation if it is owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes.

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

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

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

(2) the tract does not exceed:

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

(i) an educational institution; or

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

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

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

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

(2) the tract does not exceed:

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

(i) an educational institution; or

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

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

(3) not more than three (3) years after the property is purchased, and for each year after the three (3) year period, the owner demonstrates substantial progress towards the erection of the intended building and use of the tract for the exempt purpose. To establish that substantial progress is being made, the owner must

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prove the existence of factors such as the following:

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

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

(C) Cash reserves dedicated to the project of a sufficient amount to lead a reasonable individual to believe the actual construction can and will begin within three (3) years.

(D) The breaking of ground and the beginning of actual construction.

(E) Any other factor that would lead a reasonable individual to believe that construction of the building is an active plan and that the building is capable of being completed within six (6) years considering the circumstances of the owner.

(e) Personal property is exempt from property taxation if it is owned and used in such a manner that it would be exempt under subsection (a) or (b) if it were a building.

(f) A hospital's property which is exempt from property taxation under subsection (a), (b), or (e) shall remain exempt from property taxation even if the property is used in part to furnish goods or services to another hospital whose property qualifies for exemption under this section.

(g) Property owned by a shared hospital services organization which is exempt from federal income taxation under Section 501(c)(3) or 501(e) of the Internal Revenue Code is exempt from property taxation if it is owned, occupied, and used exclusively to furnish goods or services to a hospital whose property is exempt from property taxation under subsection (a), (b), or (e).

(h) This section does not exempt from property tax an office or a practice of a physician or group of physicians that is owned by a hospital licensed under IC 16-21-1 or other property that is not substantially related to or supportive of the inpatient facility of the hospital unless the office, practice, or other property:

(1) provides or supports the provision of charity care (as defined in IC 16-18-2-52.5), including providing funds or other financial support for health care services for individuals who are indigent (as defined in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or

(2) provides or supports the provision of community benefits (as defined in IC 16-21-9-1), including research, education, or government sponsored indigent health care (as defined in IC 16-21-9-2).

However, participation in the Medicaid or Medicare program alone

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does not entitle an office, practice, or other property described in this subsection to an exemption under this section.

(i) A tract of land or a tract of land plus all or part of a structure on the land is exempt from property taxation if:

(1) the tract is acquired for the purpose of erecting, renovating, or improving a single family residential structure that is to be given away or sold:

(A) in a charitable manner;

(B) by a nonprofit organization; and

(C) to low income individuals who will:

(i) use the land as a family residence; and

(ii) not have an exemption for the land under this section;

(2) the tract does not exceed three (3) acres;

(3) the tract of land or the tract of land plus all or part of a structure on the land is not used for profit while exempt under this section; and

(4) not more than three (3) years after the property is acquired for the purpose described in subdivision (1), and for each year after the three (3) year period, the owner demonstrates substantial progress towards the erection, renovation, or improvement of the intended structure. To establish that substantial progress is being made, the owner must prove the existence of factors such as the following:

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

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

(C) Cash reserves dedicated to the project of a sufficient amount to lead a reasonable individual to believe the actual construction can and will begin within six (6) years of the initial exemption received under this subsection.

(D) The breaking of ground and the beginning of actual construction.

(E) Any other factor that would lead a reasonable individual to believe that construction of the structure is an active plan and that the structure is capable of being:

(i) completed; and

(ii) transferred to a low income individual who does not receive an exemption under this section;

within six (6) years considering the circumstances of the owner.

(j) An exemption under subsection (i) terminates when the property

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is conveyed by the nonprofit organization to another owner. When the property is conveyed to another owner, the nonprofit organization receiving the exemption must file a certified statement with the ~~auditor~~ **assessor** of the county, notifying the ~~auditor~~ **assessor** of the change not later than sixty (60) days after the date of the conveyance. **The county assessor shall forward a copy of the certified statement to the county auditor.** A nonprofit organization that fails to file the statement required by this subsection is liable for the amount of property taxes due on the property conveyed if it were not for the exemption allowed under this chapter.

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

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

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

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

(A) is not a low income individual; or

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

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

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

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

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

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

SECTION 15. IC 6-1.1-10-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 21. (a) The following tangible property is exempt from property taxation if it is owned by, or held in trust for the use of, a church or religious society:

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(1) A building which is used for religious worship.
(2) Buildings that are used as parsonages.
(3) The pews and furniture contained within a building which is used for religious worship.
(4) The tract of land, not exceeding fifteen (15) acres, upon which a building described in this section is situated.

(b) To obtain an exemption for parsonages, a church or religious society must provide the county ~~auditor~~ **assessor** with an affidavit at the time the church or religious society applies for the exemptions. The affidavit must state that:

(1) all parsonages are being used to house one (1) of the church's or religious society's rabbis, priests, preachers, ministers, or pastors; and
(2) none of the parsonages are being used to make a profit.

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

SECTION 16. IC 6-1.1-10-36.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 36.5. **(a)** Tangible property is not exempt from property taxation under sections 16 through 28 of this chapter or under section 33 of this chapter if it is used by the exempt organization in a trade or business, not substantially related to the exercise or performance of the organization's exempt purpose.

(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 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

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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.

SECTION 17. IC 6-1.1-10-37 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 37. (a) This section does not apply to the lease of a dwelling unit within a public housing project by the tenant of that dwelling unit.

~~(b) If real property that is exempt from taxation is leased to another whose property is not exempt and the leasing of the real property does not make it taxable, the leasehold estate and the appurtenances to the leasehold estate shall be assessed and taxed as if they were real property owned by the lessee or his assignee.~~

~~(c) If personal property that is exempt from taxation is leased to another whose property is not exempt and the leasing of the personal property does not make it taxable, the leased personal property shall be assessed and taxed as if it were personal property owned by the lessee or his assignee.~~

(b) If real or personal property owned by an exempt organization is held, occupied, leased, or possessed by another person who is not an exempt organization, the real or personal property shall be assessed and taxed as if it were the real or personal property of the person that holds, occupies, leases, or possesses the property.

SECTION 18. IC 6-1.1-11-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. (a) ~~The~~ **An**

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owner of tangible property who wishes to obtain an exemption from property taxation shall file a certified application in duplicate with the ~~auditor~~ **assessor** of the county in which the property **that is the subject of the exemption** is located. The application must be filed annually on or before May 15 on forms prescribed by the state board of tax commissioners. **The county assessor shall forward a copy of the certified application to the county auditor.** Except as provided in sections 1, 3.5, and 4 of this chapter, the application applies only for the taxes imposed for the year for which the application is filed.

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

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

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

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

(3) The grounds for claiming the exemption.

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

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

SECTION 19. IC 6-1.1-11-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3.5. (a) A not-for-profit corporation that seeks an exemption provided by IC 6-1.1-10 for 1988 or for a year that follows 1988 by a multiple of four (4) years must file an application for the exemption in that year. However, if a not-for-profit corporation seeks an exemption provided by IC 6-1.1-10 for a year not specified in this subsection and the corporation did not receive the exemption for the preceding year, the corporation must file an application for the exemption in the year for which the exemption is sought. The not-for-profit corporation must file each exemption application in the manner (other than the requirement for filing annually) prescribed in section 3 of this chapter.

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

(c) A not-for-profit corporation that receives an exemption provided under IC 6-1.1-10 for a particular year which becomes ineligible for the exemption for the following year shall notify the ~~auditor~~ **assessor** of the

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county in which the tangible property for which it claims the exemption is located of its ineligibility on or before May 15 of the year for which it becomes ineligible. **The county assessor shall notify the county auditor of the not-for-profit corporation's ineligibility for the exemption.**

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

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

SECTION 20. IC 6-1.1-11-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 10. Each county ~~auditor~~ **assessor** shall, on behalf of the county, collect a fee of two dollars ($2) for each exemption application filed with him under this chapter. Each fee shall be accounted for and paid into the county general fund at the close of each month in the same manner as are other fees due the county. No other fee may be charged by a county ~~auditor,~~ **assessor,** or his employees, for filing or preparing an exemption application.

SECTION 21. IC 6-1.1-12-18 (CURRENT VERSION) IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 18. (a) If the assessed value of residential real property described in subsection (d) of this section is increased because it has been rehabilitated, the owner may have deducted from the assessed value of the property an amount not to exceed the lesser of:

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

(2) three thousand dollars ($3,000) per rehabilitated dwelling unit.

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

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

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board of tax commissioners.

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

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

(1) a single family dwelling if before rehabilitation the assessed value (excluding any exemptions or deductions) of the improvements does not exceed six thousand dollars ($6,000);

(2) a two (2) family dwelling if before rehabilitation the assessed value (excluding exemptions or deductions) of the improvements does not exceed eight thousand dollars ($8,000); and

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

SECTION 22. IC 6-1.1-12-18 (DELAYED VERSION) IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 18. (a) If the assessed value of residential real property described in subsection (d) of this section is increased because it has been rehabilitated, the owner may have deducted from the assessed value of the property an amount not to exceed the lesser of:

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

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

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

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

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

(d) The deduction provided by this section applies only for the

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rehabilitation of residential real property which is located within this state and which is described in one (1) of the following classifications:

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

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

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

SECTION 23. IC 6-1.1-12-22 (CURRENT VERSION) IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 22. (a) If the assessed value of property is increased because it has been rehabilitated and the owner has paid at least ten thousand dollars ($10,000) for the rehabilitation, the owner is entitled to have deducted from the assessed value of the property an amount equal to fifty percent (50%) of the increase in assessed value resulting from the rehabilitation. The owner is entitled to this deduction annually for a five (5) year period. However, the maximum deduction which a property owner may receive under this section for a particular year is:

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

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

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

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

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commissioners.

SECTION 24. IC 6-1.1-12-22 (DELAYED VERSION) IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 22. (a) If the assessed value of property is increased because it has been rehabilitated and the owner has paid at least ten thousand dollars ($10,000) for the rehabilitation, the owner is entitled to have deducted from the assessed value of the property an amount equal to fifty percent (50%) of the increase in assessed value resulting from the rehabilitation. The owner is entitled to this deduction annually for a five (5) year period. However, the maximum deduction which a property owner may receive under this section for a particular year is:

(1) sixty thousand dollars ($60,000) for a single family dwelling unit; or

(2) three hundred thousand dollars ($300,000) for any other type of property.

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

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

SECTION 25. IC 6-1.1-12-35 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 35. (a) Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 31, 33, or 34 of this chapter must file a certified statement in duplicate, on forms prescribed by the state board of tax commissioners, and proof of certification under subsection (b) with the auditor of the county in which the property for which the deduction is claimed is subject to assessment. Except as provided in subsection (e), with respect to property that is not assessed under IC 6-1.1-7, the person must file the statement between March 1 and May 10, inclusive, of the assessment year. The person must file the

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statement in each year for which ~~he~~ **the person** desires to obtain the deduction. With respect to a property which is assessed under IC 6-1.1-7, the person must file the statement between January 15 and March 31, inclusive, of each year for which ~~he~~ **the person** desires to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. On verification of the statement by the assessor of the township in which the property for which the deduction is claimed is subject to assessment, the county auditor shall allow the deduction.

(b) The department of environmental management, upon application by a property owner, shall determine whether a system or device qualifies for a deduction provided by section 31, 33, or 34 of this chapter. If the department determines that a system or device qualifies for a deduction, it shall certify the system or device and provide proof of the certification to the property owner. The department shall prescribe the form and manner of the certification process required by this subsection.

(c) If the department of environmental management receives an application for certification before April 10 of the assessment year, the department shall determine whether the system or device qualifies for a deduction before May 10 of the assessment year. If the department fails to make a determination under this subsection before May 10 of the assessment year, the system or device is considered certified.

(d) A denial of a deduction claimed under section 31, 33, or 34 of this chapter may be appealed as provided in IC 6-1.1-15. The appeal is limited to a review of a determination made by the township assessor **or** county property tax assessment board of appeals. ~~or state board of tax commissioners.~~

(e) A person who timely files a personal property return under IC 6-1.1-3-7(a) for an assessment year and who desires to claim the deduction provided in section 31 of this chapter for property that is not assessed under IC 6-1.1-7 must file the statement described in subsection (a) between March 1 and May 15, inclusive, of that year. A person who obtains a filing extension under IC 6-1.1-3-7(b) for an assessment year must file the application between March 1 and June 14, inclusive, of that year.

SECTION 26. IC 6-1.1-12.1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. For purposes of this chapter:

(1) "Economic revitalization area" means an area which is within the corporate limits of a city, town, or county which has become undesirable for, or impossible of, normal development and

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occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. The term "economic revitalization area" also includes:

(A) any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues; and

(B) a residentially distressed area, except as otherwise provided in this chapter.

(2) "City" means any city in this state, and "town" means any town incorporated under IC 36-5-1.

(3) "New manufacturing equipment" means any tangible personal property which:

(A) was installed after February 28, 1983, and before January 1, 2006, in an area that is declared an economic revitalization area after February 28, 1983, in which a deduction for tangible personal property is allowed; ~~or~~

(B) is used in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property, including but not limited to use to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(C) was acquired by its owner for use as described in clause (B) and was never before used by its owner for any purpose in Indiana.

However, notwithstanding any other law, the term includes tangible personal property that is used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products and was installed after March 1, 1993, and before March 2, 1996, even if the property was installed before the area where the property is located was designated as an economic revitalization area or the statement of benefits for the property was approved by the designating body.

(4) "Property" means a building or structure, but does not include land.

(5) "Redevelopment" means the construction of new structures in economic revitalization areas, either:

(A) on unimproved real estate; or

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(B) on real estate upon which a prior existing structure is demolished to allow for a new construction.

(6) "Rehabilitation" means the remodeling, repair, or betterment of property in any manner or any enlargement or extension of property.

(7) "Designating body" means the following:

(A) For a county that does not contain a consolidated city, the fiscal body of the county, city, or town.

(B) For a county containing a consolidated city, the metropolitan development commission.

(8) "Deduction application" means ~~either:~~

~~(A)~~ the application filed in accordance with section 5 of this chapter by a property owner who desires to obtain the deduction provided by section 3 of this chapter. ~~or~~

~~(B) the application filed in accordance with section 5.5 of this chapter by a person who desires to obtain the deduction provided by section 4.5 of this chapter.~~

(9) "Designation application" means an application that is filed with a designating body to assist that body in making a determination about whether a particular area should be designated as an economic revitalization area.

(10) "Hazardous waste" has the meaning set forth in IC 13-11-2-99(a). The term includes waste determined to be a hazardous waste under IC 13-22-2-3(b).

(11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a). However, the term does not include dead animals or any animal solid or semisolid wastes.

(12) "Schedule" means the schedule filed in accordance with section 5.5 of this chapter by a person who desires to obtain the deduction provided by section 4.5 of this chapter.

SECTION 27. IC 6-1.1-12.1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. (a) An applicant must provide a statement of benefits to the designating body. If the designating body requires information from the applicant for economic revitalization area status for use in making its decision about whether to designate an economic revitalization area, the applicant shall provide the completed statement of benefits form to the designating body before the hearing required by section 2.5(c) of this chapter. Otherwise, the statement of benefits form must be submitted to the designating body before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction under this chapter. The state board of tax commissioners shall prescribe a

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form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the proposed redevelopment or rehabilitation.

(2) An estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the redevelopment or rehabilitation and an estimate of the annual salaries of these individuals.

(3) An estimate of the value of the redevelopment or rehabilitation.

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

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

(1) Whether the estimate of the value of the redevelopment or rehabilitation is reasonable for projects of that nature.

(2) Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.

(4) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described redevelopment or rehabilitation.

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

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

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

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deduction if:

(1) the property has been rehabilitated; or

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

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

(d) For economic revitalization areas that are not residentially distressed areas, the designating body shall determine whether the property owner is entitled to a deduction for three (3) years, six (6) years, 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 county auditor. A certified copy of the resolution shall be sent to the county auditor who shall make the deduction as provided in section 5 of this chapter.

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

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

(1) Private or commercial golf course.

(2) Country club.

(3) Massage parlor.

(4) Tennis club.

(5) Skating facility (including roller skating, skateboarding, or ice skating).

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(6) Racquet sport facility (including any handball or racquetball court).
(7) Hot tub facility.
(8) Suntan facility.
(9) Racetrack.
(10) Any facility the primary purpose of which is:
(A) retail food and beverage service;
(B) automobile sales or service; or
(C) other retail;
unless the facility is located in an economic development target area established under section 7 of this chapter.
(11) Residential, unless:
(A) the facility is a multifamily facility that contains at least twenty percent (20%) of the units available for use by low and moderate income individuals;
(B) the facility is located in an economic development target area established under section 7 of this chapter; or
(C) the area is designated as a residentially distressed area.
(12) A package liquor store that holds a liquor dealer's permit under IC 7.1-3-10 or any other entity that is required to operate under a license issued under IC 7.1. However, this subdivision does not apply to an applicant that:
(A) was eligible for tax abatement under this chapter before July 1, 1995; or
(B) is described in IC 7.1-5-7-11.

SECTION 28. IC 6-1.1-12.1-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 4.5. (a) For purposes of this section, "personal property" means personal property other than inventory (as defined in IC 6-1.1-3-11(a)).

(b) An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in section 2.5(c) of this chapter or before the installation of the new manufacturing equipment for which the person desires to claim a deduction under this chapter. The state board of tax commissioners shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:
(1) A description of the new manufacturing equipment that the person proposes to acquire.
(2) With respect to new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, an

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estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the installation of the new manufacturing equipment and an estimate of the annual salaries of these individuals.

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

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

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

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

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

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

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

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

(5) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result

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from the proposed installation of new manufacturing equipment.

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

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

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

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

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

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

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

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	80%
4th	65%
5th	50%
6th and thereafter	0%

(2) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	90%
4th	85%
5th	80%
6th	70%
7th	55%
8th	40%
9th	30%

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10th	25%
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 resolution shall be sent to the county auditor and the state board of tax commissioners.

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

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

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

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

SECTION 29. IC 6-1.1-12.1-5.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 5.5. (a) A person

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that desires to obtain the deduction provided by section 4.5 of this chapter must file a ~~certified deduction application~~ **schedule,** on forms prescribed by the state board of tax commissioners, with **the person's personal property return with the township assessor. The township assessor shall forward the personal property return and schedule to:**

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

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

~~A person that timely files a personal property return under IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment is installed must file the application between March 1 and May 15 of that year. A person that obtains a filing extension under IC 6-1.1-3-7(b) for the year in which the new manufacturing equipment is installed must file the application between March 1 and June 14 of that year.~~ **The designating body shall determine if all persons qualifying for the deduction provided by section 4.5 of this chapter have filed the required schedule. Before June 20 of each year, the designating body shall notify each person that qualifies but failed to file the required schedule. A person failing to file the required schedule at the time of filing the personal property return must file the schedule with the appropriate township assessor and the designating body before July 10 of each year. Before July 15 of each year, the designating body shall compile and send to the county auditor a list of all persons eligible for the deduction and a statement of whether the person filed the schedule required by this section.**

(b) The ~~deduction application~~ **schedule** required by this section must contain the following information:

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

(2) A description of the new manufacturing equipment.

(3) Proof of the date the new manufacturing equipment was installed.

(4) The amount of the deduction claimed for the first year of the deduction.

(5) The compliance statement required by section 5.6 of this chapter.

(6) Any other information required by the state board of tax commissioners.

(c) This subsection applies to a ~~deduction application~~ **schedule** with respect to new manufacturing equipment for which a statement of benefits was initially approved after April 30, 1991. If a determination

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about ~~whether~~ **the number of years for which** the deduction is ~~for a period of five (5) or ten (10) years~~ **allowed** has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the ~~deduction application~~ **schedule** to the designating body and the designating body shall adopt a resolution under section 4.5(h)(2) of this chapter.

(d) A ~~deduction application~~ **schedule** must be filed under this section in the year in which the new manufacturing equipment is installed and in each of the immediately succeeding ~~four (4) or nine (9)~~ years ~~whichever is applicable.~~ **the deduction is allowed.**

(e) The ~~state board of tax commissioners~~ **designating body** shall review and verify the correctness of each ~~deduction application~~ **schedule** and shall notify the county auditor of the county in which the property is located that the ~~deduction application~~ **schedule** is approved or denied or that the amount of the deduction is altered. Upon notification of approval of the ~~deduction application~~ **schedule** or of alteration of the amount of the deduction, the county auditor shall make the deduction. The county auditor shall notify the county property tax assessment board of appeals **and state board of tax commissioners** of all deductions approved under this section.

(f) If the ownership of new manufacturing equipment changes, the deduction provided under section 4.5 of this chapter continues to apply to that equipment if the new owner:

(1) continues to use the equipment in compliance with any standards established under section 2(g) of this chapter; and

(2) files the deduction applications required by this section.

(g) The amount of the deduction is the percentage under section 4.5 of this chapter that would have applied if the ownership of the property had not changed multiplied by the assessed value of the equipment for the year the deduction is claimed by the new owner.

(h) If a person desires to initiate an appeal of the ~~state board of tax commissioners'~~ **designating body's** final determination, the person must do all of the following not more than forty-five (45) days after the ~~state board of tax commissioners~~ **designating body** gives the person notice of the final determination:

(1) File a written notice with the state board of tax commissioners informing the board of the person's intention to appeal.

(2) File a complaint in the tax court.

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

SECTION 30. IC 6-1.1-12.1-5.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 5.6. (a) This

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subsection applies to a property owner whose statement of benefits was approved under section 4.5 of this chapter before July 1, 1991. In addition to the requirements of section 5.5(b) of this chapter, a ~~deduction application~~ **schedule** filed under section 5.5 of this chapter must contain information showing the extent to which there has been compliance with the statement of benefits approved under section 4.5 of this chapter. Failure to comply with a statement of benefits approved before July 1, 1991, may not be a basis for rejecting a deduction. ~~application~~.

(b) This subsection applies to a property owner whose statement of benefits was approved under section 4.5 of this chapter after June 30, 1991. In addition to the requirements of section 5.5(b) of this chapter, a property owner who files a ~~deduction application~~ **schedule** under section 5.5 of this chapter must provide the county auditor and the designating body with information showing the extent to which there has been compliance with the statement of benefits approved under section 4.5 of this chapter.

(c) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following information is a public record if filed under this section:

(1) The name and address of the taxpayer.

(2) The location and description of the new manufacturing equipment for which the deduction was granted.

(3) Any information concerning the number of employees at the facility where the new manufacturing equipment is located, including estimated totals that were provided as part of the statement of benefits.

(4) Any information concerning the total of the salaries paid to those employees, including estimated totals that were provided as part of the statement of benefits.

(5) Any information concerning the amount of solid waste or hazardous waste converted into energy or other useful products by the new manufacturing equipment.

(6) Any information concerning the assessed value of the new manufacturing equipment, including estimates that were provided as part of the statement of benefits.

(d) The following information is confidential if filed under this section:

(1) Any information concerning the specific salaries paid to individual employees by the owner of the new manufacturing equipment.

(2) Any information concerning the cost of the new manufacturing equipment.

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SECTION 31. IC 6-1.1-12.1-5.9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 5.9. (a) This section does not apply to:

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

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

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

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

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

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

(c) On the date specified in the notice described in subsection (b)(2), the designating body shall conduct a hearing for the purpose of further considering the property owner's compliance with the statement of benefits. Based on the information presented at the hearing by the property owner and other interested parties, the designating body shall again determine whether the property owner has made reasonable efforts to substantially comply with the statement of benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner. If the designating body determines that the property owner has not made reasonable efforts to comply with the statement of benefits, the designating body shall adopt a resolution terminating the property owner's deduction under section 3 or 4.5 of this chapter. If the designating body adopts such a resolution, the deduction does not apply to the next installment of

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property taxes owed by the property owner or to any subsequent installment of property taxes.

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

(1) the property owner;

(2) the county auditor; and

(3) the state board of tax commissioners if the deduction was granted under section 4.5 of this chapter.

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

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

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

SECTION 32. IC 6-1.1-15-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. (a) A taxpayer may obtain a review by the county property tax assessment board of appeals of a county or township official's action with respect to the assessment of the taxpayer's tangible property if the official's action requires the giving of notice to the taxpayer. At the time that notice is given to the taxpayer, he shall also be informed in writing of:

(1) his opportunity for review under this section; and

(2) the procedures he must follow in order to obtain review under this section.

(b) In order to appeal a current assessment and have a change in the assessment effective for the most recent assessment date, the taxpayer

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must file a petition with the assessor of the county in which the action is taken:

(1) within forty-five (45) days after notice of a change in the assessment is given to the taxpayer; or

(2) May 10 of that year;

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

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

(1) in the same year that notice of a change in the assessment is given to the taxpayer; and

(2) after the time prescribed in subsection (b);

becomes effective for the next assessment date.

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

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

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

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

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

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

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

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

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

(1) In the case of a petition filed after December 31, 1998, and 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 within ninety (90) days of the filing of the petition on those items of disagreement, **except as provided in subsection (h).**

The taxpayer may present the taxpayer's reasons for disagreement with the assessment. The township assessor or county assessor for the county must present the basis for the assessment decision on these items to the board of appeals at the hearing and the reasons the petitioner's appeal should be denied on those items. The board of appeals shall have a written record of the hearing and prepare a written

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statement of findings and a decision on each item within sixty (60) days of the hearing. If the township assessor does not attempt to hold a preliminary conference, the board shall accept the appeal of the petitioner at the hearing.

(h) In the case of a petition filed after December 31, 2000, the county property tax assessment board of appeals shall hold its hearing within one hundred eighty (180) days instead of ninety (90) days in a county having a population of more than four hundred thousand (400,000).

SECTION 33. IC 6-1.1-15-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 4. (a) After receiving a petition for review which is filed under section 3 of this chapter, the division of appeals of the state board of tax commissioners shall conduct a hearing at its earliest opportunity. In addition, the division of appeals of the state board may assess the property in question, correcting any errors which may have been made. The division of appeals of the state board shall give notice of the date fixed for the hearing, by mail, to the taxpayer and to the appropriate township assessor, county assessor, and county auditor. **In addition, the notice shall be sent to each affected taxing unit identified on the list compiled by the county assessor under section 1(b) of this chapter and shall be forwarded with the petition for review.** The division of appeals of the state board shall give these notices at least ten (10) days before the day fixed for the hearing. **The notice must include the information provided by the county assessor under section 1(b) of this chapter.**

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

(c) The state board of tax commissioners shall prescribe a form for use in processing petitions for review of actions by the county property tax assessment board of appeals. The state board shall issue instructions for completion of the form. The form must require the division of appeals of the state board to indicate agreement or

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disagreement with each item that is:

(1) indicated on the petition submitted under section 1(e) of this chapter;

(2) included in the township assessor's response under section 1(g) of this chapter; and

(3) included in the county property tax assessment board of appeals' findings, record, and determination under section 2.1(d) of this chapter.

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

(d) After the hearing the division of appeals of the state board shall give the petitioner, the township assessor, the county assessor, ~~and~~ the county auditor, **and the affected taxing units required to be notified under subsection (a):**

(1) notice, by mail, of its final determination;

(2) a copy of the form completed under subsection (c); and

(3) notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

(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.

~~(e)~~ **(f) This subsection applies only to petitions filed with the**

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state board of tax commissioners after December 31, 2000. The division of appeals of the state board of tax commissioners shall conduct a hearing within six (6) months after a petition in proper form is filed with the division, excluding any time due to a delay reasonably caused by the petitioner. The division of appeals shall make a determination within the later of forty-five (45) days after the hearing or the date set in an extension order issued by the chairman of the state board of tax commissioners. However, the state board of tax commissioners may not extend the final determination date by more than one hundred eighty (180) days. Except as provided in subsection (g):

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

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

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

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

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

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

SECTION 34. IC 6-1.1-15-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 5. (a) Within fifteen (15) days after the division of appeals of the state board of tax commissioners gives notice of its final determination under section 4 of this chapter to the party or the maximum allowable time for the issuance of a determination by the division of appeals under section 4 of this chapter expires, a party to the proceeding may request a rehearing before the board. The board may conduct a rehearing and affirm or modify its final determination, giving the same notices after the rehearing as are required by section 4 of this chapter. The state board of tax commissioners has thirty (30) days after receiving a

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petition for a rehearing to determine whether to grant a rehearing. Failure to grant a rehearing within thirty (30) days after receiving the petition shall be treated as a final determination to deny the petition. A petition for a rehearing does not toll the time in which to file a petition for judicial review unless the petition for rehearing is granted. If the state board of tax commissioners determines to rehear a final determination of the division of appeals, the state board of tax commissioners:

(1) may conduct the additional hearings that the state board of tax commissioners determines necessary or review the written record of the division of appeals without additional hearings; and

(2) shall issue a final determination within ninety (90) days after notifying the parties that the state board of tax commissioners will rehear the determination.

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

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

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

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

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

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

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

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

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

(3) forty-five (45) days after the division of appeals gives notice of a final determination under section 4 of this chapter or the

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division fails to make a determination within the maximum time allowed under section 4 of this chapter, if a rehearing is not granted under this section.

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

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

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

(2) an amount equal to ten percent (10%) of the aggregate tax levies of ~~all~~ **any** taxing ~~units~~ **unit** in the county for that year;

whichever is less, the county executive may take an appeal to the tax court in the manner prescribed in this section ~~but only~~ upon request by the county assessor **or an affected taxing unit. If the appeal is taken at the request of an affected taxing unit, the taxing unit shall pay the costs of the appeal.**

SECTION 35. IC 6-1.1-15-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 6. **(a)** If an appeal is initiated by a person under section 5 of this chapter, the secretary of the state board of tax commissioners shall prepare a certified ~~transcript~~ **record** of the proceedings related to the appeal. ~~However, the transcript shall not include the evidence compiled by the board with respect to the proceedings. The secretary of the board shall transmit the transcript to the clerk of the court designated by the appellant.~~ **The record must consist of the following documents:**

(1) Copies of all papers submitted to the state board of tax commissioners during the course of the action and copies of all papers provided to the parties by the state board of tax commissioners. The term "papers" includes without limitation all notices, petitions, motions, photographs, and other written documents.

(2) The transcript of the evidence and proceedings at the 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

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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 36. 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 an affected taxing unit. If the appeal is taken at the request of an affected taxing unit, the taxing unit shall pay the costs of the appeal.**

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

SECTION 37. 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 resulting from an original assessment; or

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

(b) If a petition for review to any board or an appeal to the tax court regarding an assessment or increase in assessment is pending, the taxes resulting from the assessment or increase in assessment are, notwithstanding the provisions of IC 6-1.1-22-9, not due until after the

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petition for review, or the appeal, is finally adjudicated and the assessment or increase in assessment is finally determined. However, even though a petition for review or an appeal is pending, the taxpayer shall pay taxes on the tangible property when the property tax installments come due, unless the collection of the taxes is enjoined pending an original tax appeal under IC 33-3-5. The amount of taxes which the taxpayer is required to pay, pending the final determination of the assessment or increase in assessment, shall be based on:

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

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

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

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

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

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

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

(b) If a petition for review to a board or an appeal to the tax court regarding an assessment or increase in assessment is pending, the taxpayer may pay the amount of taxes due under IC 6-1.1-15-10 or may pay the amount of taxes due based on the current year's assessed value. On each semiannual due date for payment of property taxes, the county assessor shall provide the county treasurer a list by taxing district of the parcels eligible

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under subsection (a). The list must include the parcel or tax number, the appellant's name and address, the assessed value for the assessment date of the year before the appeal, the assessed value on the most recent assessment date, and the difference in assessed value. Within sixty (60) days after receiving the list, the county treasurer shall report the collection to the county auditor.

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

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

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

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

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

SECTION 39. IC 6-1.1-15-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 11. **(a)** If a review or appeal authorized under this chapter results in a reduction of the amount of an assessment or if the state board of tax commissioners on its own motion reduces an assessment, the taxpayer is entitled to a credit in the amount of any overpayment of tax on the next successive tax installment, if any, due in that year. If, after the credit is given, a further amount is due the taxpayer, he may file a claim for the amount due. If the claim is allowed by the board of county commissioners, the

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county auditor shall, without an appropriation being required, pay the amount due the taxpayer. **However, if the amount due the taxpayer exceeds one hundred thousand dollars ($100,000), the county auditor and taxpayer may agree to have the amount due paid to the taxpayer in not more than four (4) annual installments to the extent the amount has not been deposited in an escrow account under section 10.5 of this chapter.** The county auditor shall charge the amount refunded to the taxpayer against the accounts of the various taxing units to which the overpayment has been paid.

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

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

SECTION 40. IC 6-1.1-17-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. (a) On or before August 1 of each year, the county auditor shall send a certified statement, under the seal of the board of county commissioners, to the fiscal officer of each political subdivision of the county and the state board of tax commissioners. The statement shall contain:

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

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

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

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

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

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

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

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

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

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

SECTION 41. IC 6-1.1-17-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: **Sec. 2.5. (a) When certifying the assessed value of a political subdivision for budget making purposes, the county auditor:**

(1) shall exclude appealed assessed value; and

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

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

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

SECTION 42. IC 6-1.1-22-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 10. (a) A person who is liable for property taxes under IC 6-1.1-2-4 **or IC 6-1.1-10-37** is personally liable for the taxes and all penalties, cost, and collection expenses, including reasonable attorney's fees and court costs, resulting from late payment of the taxes.

(b) A person's liability under this section may be enforced by any legal remedy, including a civil lawsuit instituted by a county treasurer or a county executive to collect delinquent taxes. One (1) action may be initiated to collect all taxes, penalties, cost, and collection expenses levied against a person in the same county for one (1) or more years. However, an action may not be initiated to enforce the collection of

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taxes after ten (10) years from the first Monday in May of the year in which the taxes first became due. An action initiated within the ten (10) year period may be prosecuted to termination.

SECTION 43. IC 6-1.1-22-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 13. (a) The state acquires a lien on each tract of real property for all property taxes levied against the tract, including the land under an improvement or appurtenance described in ~~IC 6-1.1-2-4(b),~~ **IC 6-1.1-2-4(c)** and all subsequent penalties and cost resulting from the taxes. This lien attaches on the assessment date of the year for which the taxes are assessed. The lien is not affected by any sale or transfer of the tract, including the land under an improvement or appurtenance described in ~~IC 6-1.1-2-4(b),~~ **IC 6-1.1-2-4(c),** including the sale, exchange, or lease of the tract under IC 36-1-11.

(b) The lien of the state for taxes, penalties, and cost continues for ten (10) years from May 10 of the year in which the taxes first become due. However, if any proceeding is instituted to enforce the lien within the ten (10) year period, the limitation is extended, if necessary, to permit the termination of the proceeding.

(c) The lien of the state inures to taxing units which impose the property taxes on which the lien is based, and the lien is superior to all other liens.

(d) A taxing unit described in subsection (c) may institute a civil suit against a person or an entity liable for delinquent property taxes. The taxing unit may, after obtaining a judgment, collect:

(1) delinquent real property taxes;

(2) penalties due to the delinquency; and

(3) costs and expenses incurred in collecting the delinquent property tax, including reasonable attorney's fees and court costs approved by a court with jurisdiction.

SECTION 44. IC 6-1.1-28-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. Each county shall have a county property tax assessment board of appeals composed of individuals who are at least eighteen (18) years of age and knowledgeable in the valuation of property. **Except for the county assessor, an individual who is an officer or employee of a county or township may not serve on the board of appeals in the county in which the individual is an officer or employee.** The fiscal body of the county shall appoint two (2) individuals to the board. At least one (1) of the members appointed by the county fiscal body must be a certified level two assessor-appraiser. The board of commissioners of the county shall appoint two (2) freehold members so that not more than three (3)

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of the five (5) members may be of the same political party and so that at least three (3) of the five (5) members are residents of the county. At least one (1) of the members appointed by the board of county commissioners must be a certified level two assessor-appraiser, **unless the county assessor is a certified level two assessor-appraiser.** A person appointed to a property tax assessment board of appeals may ~~not~~ serve on the property tax assessment board of appeals of another county at the same time. The members of the board shall elect a president. The employees of the county assessor shall provide administrative support to the property tax assessment board of appeals. The county assessor is a voting member of the property tax assessment board of appeals. ~~and~~ **The county assessor** shall serve as secretary of the board. The secretary shall keep full and accurate minutes of the proceedings of the board. A majority of the board constitutes a quorum for the transaction of business. Any question properly before the board may be decided by the agreement of a majority of the whole board.

SECTION 45. IC 6-1.1-31-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 1. (a) The state board of tax commissioners shall do the following:

(1) Prescribe the property tax forms and returns which taxpayers are to complete and on which the taxpayers' assessments will be based.

(2) Prescribe the forms to be used to give taxpayers notice of assessment actions.

(3) Adopt rules concerning the assessment of tangible property.

(4) Develop specifications that prescribe state requirements for computer software and hardware to be used by counties for assessment purposes. The specifications developed under this subdivision apply only to computer software and hardware systems purchased for assessment purposes after July 1, 1993.

(5) Adopt rules establishing criteria for determining whether a project qualifies as rehabilitation under IC 6-1.1-12-18 or IC 6-1.1-12-22.

(6) Adopt rules establishing criteria for the revocation of a certification under IC 6-1.1-35.5-6.

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

SECTION 46. IC 6-1.1-31-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) The rules promulgated by the state board of tax commissioners are the basis for determining the true tax value of tangible property.

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

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

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

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

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

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

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

SECTION 47. IC 6-1.1-31-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 6. (a) With respect to the assessment of real property, the rules of the state board of tax commissioners shall provide for:

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

(i) acreage;

(ii) lots;

(iii) size;

(iv) location;

(v) use;

(vi) productivity or earning capacity;

(vii) applicable zoning provisions;

(viii) accessibility to highways, sewers, and other public services or facilities; and

(ix) any other factor that the board determines by rule is just and proper; and

(2) ~~the classification~~ **determining reproduction cost and depreciation** of improvements on the basis of **classifications and objectively verifiable data concerning:**

(i) size;

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(ii) location;
(iii) use;
(iv) type and character of construction;
(v) age;
(vi) condition;
(vii) cost of reproduction; and
(viii) any other factor that the board determines by rule is just and proper.

(b) With respect to the assessment of real property, the rules of the state board of tax commissioners shall **use the most recent objectively verifiable data at the time the rules are adopted and** include instructions for determining:

(1) the proper classification of real property;
(2) the size of real property;
(3) the effects that location and use have on the **true tax** value of real property;
(4) the depreciation, including physical deterioration and obsolescence, of real property;
(5) the cost of reproducing improvements;
(6) the productivity or earning capacity of land; and
(7) the true tax value of real property based on the factors listed in this subsection and any other factor that the board determines by rule is ~~just and proper.~~ **necessary to provide for the just valuation of property.**

(c) With respect to the assessment of real property, true tax value does not mean fair market value. True tax value is the value determined under the rules of the state board of tax commissioners.

SECTION 48. IC 6-1.1-31-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 7. (a) With respect to the assessment of personal property, the rules of the state board of tax commissioners shall provide for the ~~classification~~ **just valuation** of personal property on the basis of **the most recent objectively verifiable data concerning:**

(1) date of purchase;
(2) location;
(3) use;
(4) depreciation, obsolescence, and condition; and
(5) any other factor that the board determines by rule is ~~just and proper.~~ **necessary to provide for the just valuation of property.**

(b) With respect to the assessment of personal property, the rules of the state board of tax commissioners shall **use the most recent objectively verifiable data at the time the rules are adopted and**

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include instructions for determining:

(1) the proper classification of personal property;

(2) the effect that location has on the **true tax** value of personal property;

(3) the cost of reproducing personal property;

(4) the depreciation, including physical deterioration and obsolescence, of personal property; and

(5) the true tax value of personal property based on the factors listed in this subsection and any other factor that the board determines by rule is ~~just and proper.~~ **necessary to provide for the just valuation of property.**

(c) In providing for the classification of personal property and the instructions for determining the items listed in subsection (b), the state board of tax commissioners shall not include the value of land as a cost of producing tangible personal property subject to assessment.

(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.

~~(d)~~ **(e)** With respect to the assessment of personal property, true tax value does not mean fair market value. True tax value is the value determined under **the** rules of the state board of tax commissioners.

SECTION 49. IC 6-1.1-31.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. (a) The board shall adopt rules under IC 4-22-2 to prescribe computer specification standards and for the certification of:

(1) computer operating systems;

(2) computer software;

(3) software providers;

(4) computer service providers; and

(5) computer equipment providers.

(b) The rules of the board shall provide for **the following:**

(1) The effective and efficient administration of assessment laws.

(2) The prompt updating of assessment data **annually in a manner that the assessments may be updated each year using the most recent valuation standards, beginning in 2004.**

(3) The administration of information contained in the sales disclosure form, as required under IC 6-1.1-5.5. ~~and~~

(4) Annually updating the land valuation standards under IC 6-1.1-4-13.6, beginning in 2004.

(5) Annually updating the standards for reproduction costs and depreciation as determined under IC 6-1.1-31-6 and

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IC 6-1.1-31-7, beginning in 2004.

(6) Annually updating the income capitalization standards for agricultural land as determined under IC 6-1.1-4-13, beginning in 2004.

~~(4)~~ **(7) Any** other information necessary to carry out the administration of the property tax assessment laws.

(c) After December 31, 1998, a county may contract only for computer software and with software providers, computer service providers, and equipment providers that are certified by the board under the rules described in subsection (a).

(d) ~~The initial rules under this section must be adopted under IC 4-22-2 before January 1, 1998.~~ **The rules adopted must use the most recent objectively verifiable data available at the time the rules are adopted for establishing standards for determining reproduction costs, depreciation, comparable sales, and income capitalization.**

SECTION 50. IC 6-1.1-31.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. (a) After December 31, 1998, each county shall maintain a state certified computer system that has the capacity to:

(1) process and maintain assessment records;

(2) process and maintain standardized property tax forms;

(3) process and maintain standardized property assessment notices;

(4) maintain complete and accurate assessment records for the county; and

(5) process and compute complete and accurate assessments in accordance with Indiana law.

The county assessor with the recommendation of the township assessors shall select the computer system used by township assessors and the county assessor in the county except in a county with a township assessor elected under IC 36-6-5-1 in every township. In a county with an elected township assessor under IC 36-6-5-1 in every township, the county assessor shall select a computer system based on a majority vote of the township assessors in the county.

(b) All information on the computer system shall be readily accessible to:

(1) township assessors;

(2) the county assessor;

(3) the board; and

(4) members of the county property tax assessment board of appeals.

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(c) The certified system used by the counties must be compatible with the data export and transmission requirements in a standard format prescribed by the board. The certified system must be maintained in a manner that ensures prompt and accurate transfer of data to the board.

(d) All standardized property forms and notices on the certified computer system shall be maintained by the township assessor and the county assessor in an accessible location and in a format that is easily understandable for use by persons of the county.

(e) After December 31, 2003, the state certified computer system maintained by each county must have the capacity to update before March 15 of each year the following data:

(1) The cost of reproducing improvements.

(2) The depreciation of real property.

(3) The value of land as determined under IC 6-1.1-4-13.6.

(4) The productivity or earning capacity of land used for agriculture as determined under IC 6-1.1-4-13.

SECTION 51. IC 6-1.1-33-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. The division of tax review shall:

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

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

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

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

(5) conduct continuing studies of personal and real property tax deductions and abatements used throughout Indiana. The division shall prepare a biennial report addressing the benefits achieved by granting tax abatements that includes findings, the number and amount of deductions and abatements granted by type of taxpayer and property, and recommendations on retaining or repealing each category of abatement. The state board of tax commissioners shall review and may revise then approve the report. Before May 1 of each even-numbered year, the state board of tax commissioners shall present the report at a meeting of the budget committee

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and submit the report to the legislative services agency for distribution to the members of the general assembly.

SECTION 52. IC 6-1.1-35-1.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 1.1. Each county assessor and each elected assessor must be a certified "level two" assessor-appraiser under IC 6-1.1-35.5 or employ at least one (1) certified "level two" assessor-appraiser. Each elected county assessor, township assessor, or elected trustee-assessor ~~is expected to~~ **shall** attain the certification of a "level one" assessor-appraiser.

SECTION 53. IC 6-1.1-35.2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 2. (a) In any year in which an assessing official, a county assessor, or a member of a county property tax assessment board of appeals takes office for the first time, the state board of tax commissioners shall conduct training sessions determined under the rules adopted by the state board of tax commissioners under IC 4-22-2 for these new officials. These sessions must be held at sufficient convenient locations throughout Indiana **and at times that are sufficient to provide each county assessor and assessing official with an opportunity to attend the training.**

(b) Any new assessing official, county assessor, or member of a county property tax assessment board of appeals who attends a required session is entitled to receive the per diem per session set by the state board of tax commissioners by rule adopted under IC 4-22-2 and a mileage allowance from the county in which the official resides.

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

SECTION 54. IC 6-1.1-35.2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 3. (a) Each year the state board of tax commissioners shall conduct the continuing education sessions required in the rules adopted by the state board of tax commissioners for all assessing officials, county assessors, and all members of, and hearing officers for, the county property tax assessment board of appeals. These sessions must be conducted at sufficient convenient locations throughout Indiana.

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

(c) Any assessing official, county assessor, or member of, and hearing officers for, the county property tax assessment board of

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appeals who attends required sessions is entitled to receive a mileage allowance and the per diem per session set by the state board of tax commissioners by rule adopted under IC 4-22-2 from the county in which the official resides. A person is entitled to a mileage allowance under this section only for travel between the person's place of work and the training session nearest to the person's place of work.

SECTION 55. IC 6-1.1-35.2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. The training programs prescribed by this chapter must be designed so that the attendees at a program are prepared to train their subordinates. **In addition, the training programs must include:**

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

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

SECTION 56. IC 6-1.1-35.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 3. The state board of tax commissioners shall design two (2) assessor-appraiser examinations, to be called "level one" and "level two". All citizens of Indiana are eligible to apply for and to be examined under "level one" and "level two" examinations, subject only to the resources and limitations of the state board of tax commissioners in conducting the examinations **after giving priority to assessing officials.** Both examinations should cover the subjects of real estate appraising, accounting, and property tax law. Successful performance on the level one examination requires the minimum knowledge needed for effective performance as a county or township assessor under this article. Success on the level two examination requires substantial knowledge of the subjects covered in the examination.

SECTION 57. IC 6-1.1-35.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. (a) The level one examination shall be given in the month of July, and the level two examination shall be given in the month of August. Both level examinations also shall be offered annually immediately following the conference of state board of tax commissioners and at any other times that coordinate with ~~applicable courses of instruction.~~ **training sessions conducted under IC 6-1.1-35.2-2.** The state board of tax commissioners may also give either or both examinations at other times throughout the year.

(b) Examinations shall be held **annually** in Indianapolis ~~at a location~~ **and at not less than four (4) other convenient locations**

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chosen by the state board of tax commissioners.

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

SECTION 58. IC 6-1.1-35.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 6. **(a)** The state board of tax commissioners shall certify all persons who successfully perform **on** an examination under this chapter and shall furnish ~~them~~ **each successful examinee** with a certificate that prominently displays the name of the successful examinee and the fact that ~~he~~ **the person** is a level one or level two certified Indiana assessor-appraiser.

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

SECTION 59. IC 6-1.1-35.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 9. This chapter ~~does not apply~~ **applies** to elected assessing officials. The state board of tax commissioners ~~may not~~ **shall** adopt rules requiring elected assessing officials to take an examination or obtain certification under this chapter. **The appropriate county fiscal body shall reduce the salary of an elected assessing official who has not:**

(1) passed the examination for basic assessment administration under IC 6-1.1-35.2; or

(2) been certified at level one under this chapter;

within one (1) year after taking office. The state board of tax commissioners shall notify the county fiscal body of the elected assessing official's failure to pass the examination or obtain certification. The state board of tax commissioners shall recommend that the elected assessing official's annual salary be reduced by one-third (1/3) of the original annual salary at the beginning of the official's second year in office.

SECTION 60. IC 6-1.1-36-17 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: **Sec. 17. A property owner that files a voluntary or involuntary bankruptcy petition under federal bankruptcy law (11 U.S.C. 101 et seq.) shall provide notice of the**

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filing to the county auditor not more than thirty (30) days after the filing if the assessed value of the property owner's property is at least one hundred thousand dollars ($100,000).

SECTION 61. IC 6-1.1-37-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 9. (a) This section applies when:

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

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

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

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

(1) the date of payment; or

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

whichever occurs first.

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

(1) the next May 10; or

(2) the next November 10;

whichever occurs first.

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

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

(2) he either:

(A) received notice of the taxes he is required to pay as a result of the action or determination at least thirty (30) days before the date for payment; or

(B) voluntarily signed and filed an assessment return for the

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taxes.

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

(1) the next May 10 which follows the date for payment prescribed in subsection (c); or

(2) the next November 10 which follows the date for payment prescribed in subsection (c);

whichever occurs first.

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

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

(2) the assessment or the assessment increase is made as the result of error or neglect by the assessor or by any other official involved with the assessment of property or the collection of property taxes; and

(3) the assessment:

(A) would have been made on the normal assessment date if the error or neglect had not occurred; or

(B) increase would have been included in the assessment on the normal annual assessment date if the error or neglect had not occurred.

SECTION 62. IC 6-1.1-40-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 11. (a) A person that desires to obtain the deduction provided by section 10 of this chapter must file a certified deduction application, on forms prescribed by the state board of tax commissioners, with:

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

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

A person that timely files a personal property return under IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment is installed or the inventory is subject to assessment must file the application between March 1 and May 15 of that year. A person that obtains a filing extension under IC 6-1.1-3-7(b) for the year in which the new manufacturing equipment is installed or the inventory is subject to assessment must file the application between March 1 and June 14 of that year.

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

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

(2) A description of the new manufacturing equipment and inventory.

(3) Proof of the date the new manufacturing equipment was installed.

(4) The amount of the deduction claimed for the first year of the deduction.

(c) A deduction application must be filed under this section in the year in which the new manufacturing equipment is installed or the inventory is subject to assessment and in each of the immediately succeeding nine (9) years.

(d) The ~~state board of tax commissioners~~ **designating body** shall review and verify the correctness of each application and shall notify the county auditor ~~of the county in which the property is located~~ that the application is approved or denied or that the amount of the deduction is altered. Upon notification of approval of the application or of alteration of the amount of the deduction, the county auditor shall make the deduction.

(e) If the ownership of new manufacturing equipment changes, the deduction provided under section 10 of this chapter continues to apply to that equipment if the new owner:

(1) continues to use the equipment in compliance with any standards established under section 7(c) of this chapter; and

(2) files the applications required by this section.

(f) The amount of the deduction is:

(1) the percentage under section 10 of this chapter that would have applied if the ownership of the property had not changed; multiplied by

(2) the assessed value of the equipment for the year the deduction is claimed by the new owner.

SECTION 63. IC 20-5-7-6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: **Sec. 6. The county auditor shall make the tax duplicates held by the county auditor and county treasurer available to the treasurer, or the treasurer's designee, of each school corporation in the county.**

SECTION 64. IC 36-2-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. (a) The county fiscal body shall fix the compensation of officers, deputies, and other employees whose compensation is payable from the county general fund, county highway fund, county health fund, county park and

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recreation fund, aviation fund, or any other fund from which the county auditor issues warrants for compensation. This includes the power to:

(1) fix the number of officers, deputies, and other employees;

(2) describe and classify positions and services;

(3) adopt schedules of compensation; and

(4) hire or contract with persons to assist in the development of schedules of compensation.

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

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

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

SECTION 65. IC 36-2-7-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 13. The county fiscal body may grant to the county assessor, in addition to the compensation fixed under IC 36-2-5, a per diem for each day that the assessor is engaged in general reassessment activities, **including service on the county land valuation commission.** This section applies regardless of whether professional assessing services are provided under a contract to one (1) or more townships in the county.

SECTION 66. IC 36-4-10-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. (a) This section applies to second class cities.

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

(1) Prescribe the form of reports and accounts to be submitted to the department.

(2) Sign and issue all warrants on the city treasury.

(3) Audit and revise all accounts and trusts in which the city is concerned.

(4) Keep separate accounts for each item of appropriation made for each city department, including a statement showing the amount drawn on each appropriation, the unpaid contracts charged against it, and the balance remaining.

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(5) At the end of each fiscal year, submit under oath to the city legislative body a report of the accounts of the city published in pamphlet form and showing revenues, receipts, expenditures, and the sources of revenues.

(6) Maintain custody of the records of the department and turn them over to the fiscal officer's successor in office.

(7) Perform duties prescribed by statute concerning the negotiation of city bonds, notes, and warrants.

(8) Keep a register of bonds of the city and of transfers of those bonds.

(9) Manage the finances and accounts of the city and make investments of city money, subject to the ordinances of the legislative body.

(10) Issue city licenses on payment of the license fee.

(11) Collect fees as fixed by ordinance.

(12) Pay into the city treasury, once each week, all fees and other city money collected by the department during the preceding week, specifying the source of each item.

(13) Prescribe payroll and account forms for all city offices.

(14) Prescribe the manner in which salaries shall be drawn.

(15) Prescribe the manner in which creditors, officers, and employees shall be paid.

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

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

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

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

(20) Examine property tax assessments for proper form concerning city taxes.

SECTION 67. IC 36-6-8-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) When performing the real property reassessment duties prescribed by IC 6-1.1-4, ~~an elected~~ **a** township assessor may receive per diem compensation, in addition to salary, at a rate fixed by the county fiscal body, for each day that he is engaged in reassessment activities, **including service on the county land valuation commission.**

(b) Subsection (a) applies regardless of whether professional

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assessing services are provided to a township under contract.

SECTION 68. IC 6-1.1-12.1-5.8 IS REPEALED [EFFECTIVE JANUARY 1, 2000].

SECTION 69. P.L.6-1997, SECTION 240, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: SECTION 240. (a) IC 6-1.1-1-3, as amended by this act, and all changes in tax rates, deductions, and limits on indebtedness made by this act apply only to budget years and property taxes first due and payable after December 31, ~~2001.~~ **2003.**

(b) For the purpose of computing:

(1) the assessed value growth quotient under IC 6-1.1-18.5-2; and

(2) any other value that requires the use of an assessed value from a date before March 1, ~~2001;~~ **2003.**

for a budgetary appropriation, state distribution, or property tax levy first due and payable after December 31, ~~2001,~~ **2003,** the assessed value from a date before March 1, ~~2001,~~ **2003,** must first be increased from thirty-three and thirty-three hundredths percent (33.33%) of true tax value to one hundred percent (100%) of true tax value before the computation is made.

(c) For the purpose of computing:

(1) a tax rate under IC 6-1.1-19-1.5; and

(2) any other value that requires the use of a tax rate from a date before March 1, ~~2001;~~ **2003;**

for a budgetary appropriation, state distribution, or property tax levy first due and payable after December 31, ~~2001,~~ **2003,** a tax rate from a date before January 1, ~~2002,~~ **2004,** must first be reduced by dividing the tax rate by three (3) before the computation is made.

(d) The state board of tax commissioners shall adjust the tax rates of all taxing units to eliminate the effects of changing assessed values from thirty-three and thirty-three hundredths percent (33.33%) of true tax value to one hundred percent (100%) of true tax value.

(e) If a maximum property tax rate that was enacted before 1997 is not amended by this act, the state board of tax commissioners shall adjust the maximum tax rate to eliminate the effects of changing assessed values from thirty-three and thirty-three hundredths percent (33.33%) of true tax value to one hundred percent (100%) of true tax value.

(f) The state board of tax commissioners shall prepare the initial schedule of adjusted assessed values for all political subdivisions under IC 36-1-15, as added by this act, not later than July 1, 2001.

(g) It is the intent of the general assembly that all adjustments necessary to implement IC 6-1.1-1-3, as amended by this act, be made

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without raising the revenues available to governmental units more than would have occurred if this act were not enacted. The state board of tax commissioners shall provide fiscal officers in the taxing units, assessing officials, and members of the board of tax adjustment with instructions on how to implement this SECTION.

(h) The state board of tax commissioners shall submit recommendations before July 1, 1998, to the executive director of the legislative services agency concerning any legislation needed to implement the changes described in this SECTION.

(i) If a statute that imposes an assessed value limitation on the aggregate amount of bonds that a political subdivision may issue that was enacted before 1997 is not amended by this act, the state board of tax commissioners shall adjust the assessed value limitation to eliminate the effects of changing assessed values from thirty-three and thirty-three hundredths percent (33.33%) of true tax value to one hundred percent (100%) of true tax value.

(j) The state board of tax commissioners shall, if necessary to protect owners of bonds payable in whole or in part from tax increment, adjust the base assessed value to neutralize the effect of changing assessed values under this act from thirty-three and thirty-three hundredths percent (33.33%) of true tax value to one hundred percent (100%) of true tax value under the following statutes:

(1) IC 6-1.1-39;
(2) IC 8-22-3.5;
(3) IC 36-7-14;
(4) IC 36-7-14.5;
(5) IC 36-7-15.1; and
(6) IC 36-7-30.

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.**

SECTION 71. [EFFECTIVE JANUARY 1, 2000] **(a) During the 2000 legislative interim, the commission on state tax and financing policy (IC 2-5-3) shall study the issue of annual adjustments to the true tax values of real property in Indiana and the need for periodic physical inspections of real property. The commission may recommend to the general assembly for enactment in 2001 any statutory changes necessary or desirable to implement a system for making annual adjustments beginning with the assessments for March 1, 2004, and any changes to the laws governing general reassessments when an annual adjustment system is in place.**

(b) This SECTION expires January 1, 2001.

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SECTION 72. [EFFECTIVE JANUARY 1, 2000] **IC 6-1.1-15-1, IC 6-1.1-15-4, IC 6-1.1-15-5, IC 6-1.1-15-9, IC 6-1.1-15-10, IC 6-1.1-15-11, and IC 6-1.1-17-1, all as amended by this act, and IC 6-1.1-15-10.5 and IC 6-1.1-17-2.5, both as added by this act, apply to property taxes first due and payable after December 31, 1999.**

SECTION 73. [EFFECTIVE JANUARY 1, 2000] **Notwithstanding any other law, the changes made to various statutes in P.L.6-1997 to adjust assessed values of property for property tax purposes to reflect changing assessed values from one-third (1/3) of the true tax value of property to one hundred percent (100%) of the true tax value that were to become effective on March 1, 2001, instead take effect on March 1, 2003. Any other change to these statutes in P.L.6-1997 or another public law is not affected by this SECTION. These statutes include but are not limited to IC 3-11-6-9, IC 4-9.1-1-10, IC 6-1.1-3-7, IC 6-1.1-12-1, IC 6-1.1-12-9, IC 6-1.1-12-11, IC 6-1.1-12-13, IC 6-1.1-12-14, IC 6-1.1-12-16, IC 6-1.1-12-17.4, IC 6-1.1-12-18, IC 6-1.1-12-22, IC 6-1.1-12-37, IC 6-1.1-12.1-4.1, IC 6-1.1-18-2, IC 6-1.1-18-3, IC 6-1.1-18.5-10.3, IC 6-1.1-18.5-13, IC 6-1.1-19-1.5, IC 6-1.1-19-10, IC 6-6-5-5, IC 6-6-5-14, IC 6-6-6.5-22, IC 8-1-11.1-8, IC 8-1.5-4-8, IC 8-1.5-5-21, IC 8-10-5-17, IC 8-14-9-10, IC 8-16-2-4, IC 8-16-3-3, IC 8-22-3-11, IC 8-22-3-25, IC 10-7-1-2, IC 10-7-1-4, IC 10-7-5-10, IC 10-7-6-2, IC 10-7-6-4, IC 12-20-23-2, IC 12-20-23-15, IC 12-20-23-19, IC 12-20-25-4, IC 12-20-25-42, IC 12-29-1-1, IC 12-29-1-2, IC 12-29-1-3, IC 12-29-2-2, IC 12-29-2-13, IC 12-29-3-6, IC 13-21-3-12, IC 13-21-3-15, IC 13-21-7-12, IC 14-27-6-30, IC 14-27-6-48, IC 14-33-7-3, IC 14-33-21-5, IC 15-1-6-2, IC 15-1.5-8-1, IC 16-20-2-18, IC 16-20-4-27, IC 16-20-7-2, IC 16-22-5-4, IC 16-22-8-41, IC 16-23-1-28, IC 16-23-1-29, IC 16-23-3-6, IC 16-23-4-2, IC 16-23-5-6, IC 16-23-7-2, IC 16-23-8-2, IC 16-23-9-2, IC 16-23-9-4, IC 16-41-15-5, IC 16-41-33-4, IC 20-5-17.5-2, IC 20-5-17.5-3, IC 20-5-37-4, IC 20-14-7-5.1, IC 20-14-7-6, IC 20-14-13-12, IC 21-1-11-2, IC 21-1-11-3, IC 21-1-11-5, IC 21-2-15-11, IC 21-2-17-2, IC 21-3-3.1-2.1, IC 23-13-5-8, IC 23-13-17-1, IC 23-14-66-2, IC 23-14-67-3, IC 33-3-5-12, IC 35-33-8-3.1, IC 36-1-15, IC 36-7-13-4, IC 36-7-14-25.1, IC 36-7-14-28, IC 36-7-15.1-16, IC 36-7-29-15, IC 36-8-14-4, IC 36-8-15-16, IC 36-8-15-19, IC 36-9-4-48, IC 36-9-6.1-2, IC 36-9-6.5-10, IC 36-9-14-5, IC 36-9-16-5, IC 36-9-16-6, IC 36-9-17-5, IC 36-9-25-27, IC 36-9-25-31, IC 36-9-27-100, IC 36-9-29-23,**

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IC 36-9-29-31, IC 36-10-3-21, IC 36-10-3-24, IC 36-10-4-36, IC 36-10-6-2, IC 36-10-7-7, IC 36-10-7-8, IC 36-10-7.5-19, and IC 36-10-7.5-22.

SECTION 74. [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.**

SECTION 75. **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.

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