

HOUSE BILL No. 1005

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1-1; IC 20-5-7-6; IC 36-2-5-3; IC 36-2-7-13; IC 36-4-10-5; IC 36-6-8-5; P.L.6-1997, SECTION 240.

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.

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.

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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.

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

- 1 SECTION 1. IC 6-1.1-1-3 IS AMENDED TO READ AS
- 2 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. "Assessed
- 3 value" or "assessed valuation" means an amount equal to:
- 4 (1) for assessment dates before March 1, ~~2001~~, **2003**, thirty-three
- 5 and one-third percent (33 1/3%) of the true tax value of property;
- 6 and
- 7 (2) for assessment dates after February 28, ~~2001~~, **2003**, the true
- 8 tax value of property.
- 9 SECTION 2. IC 6-1.1-2-4 IS AMENDED TO READ AS
- 10 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 4. (a) **This**
- 11 **section does not apply to real property that is:**
- 12 (1) **owned by an owner who is exempt from taxation under**
- 13 **this article;**
- 14 (2) **leased, held, occupied, or possessed by another person who**
- 15 **is not an exempt organization; and**
- 16 (3) **assessed and taxed as if it were the real property of the**
- 17 **person that leases, holds, occupies, or possesses the property**



1 **under IC 6-1.1-10-37.**

2 **(b)** The owner of any real property on the assessment date of a year
3 is liable for the taxes imposed for that year on the property, unless a
4 person holding, possessing, controlling, or occupying any real property
5 on the assessment date of a year is liable for the taxes imposed for that
6 year on the property under a memorandum of lease or other contract
7 with the owner that is recorded with the county recorder before January
8 1, 1998. A person holding, possessing, controlling, or occupying any
9 personal property on the assessment date of a year is liable for the taxes
10 imposed for that year on the property unless:

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

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

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

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

20 (1) assessed as real property; and

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

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

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

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

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



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

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

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

24 SECTION 6. IC 6-1.1-4-4.5 IS ADDED TO THE INDIANA CODE
 25 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 26 1, 1999]: Sec. 4.5. (a) **The state board of tax commissioners shall**
 27 **adopt rules establishing a system for annually adjusting the**
 28 **assessed value of real property in those years when a general**
 29 **reassessment of property will not take effect.**

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

32 (c) **The system must have the following characteristics:**

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

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

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



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

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

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

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

13 **(d) The following are members of the commission:**

14 **(1) The county assessor.**

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

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

21 **(4) One (1) county resident who:**

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

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

26 **(5) Four (4) individuals who:**

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

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

31 **(i) Agricultural.**

32 **(ii) Commercial.**

33 **(iii) Industrial.**

34 **(iv) Residential.**

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

38 **(6) One (1) individual who:**

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

41 **(B) represents financial institutions in the county.**

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

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

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

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

41 (h) **The county property tax assessment board of appeals shall**
 42 **give notice to the county and township assessors of its decision on**



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1 the values. The notice must be given before March 1 of the year the
 2 general reassessment under IC 6-1.1-4-4 commences. Within
 3 twenty (20) days after that notice, the county assessor or a
 4 township assessor in the county may request that the county
 5 property tax assessment board of appeals reconsider the values.
 6 The county property tax assessment board of appeals shall hold a
 7 hearing on the reconsideration in the county. The county property
 8 tax assessment board of appeals shall give notice of the hearing
 9 under IC 5-3-1.

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

21 ~~(e)~~ (j) The county assessor shall notify all township assessors in the
 22 county of the values as ~~modified by the county property tax assessment~~
 23 ~~board of appeals. determined by the commission and as modified by~~
 24 ~~the county property tax assessment board of appeals or state board~~
 25 ~~under this section.~~ Township assessors shall use the values determined
 26 under this section.

27 SECTION 8. IC 6-1.1-4-22 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 22. (a) If any
 29 assessing official or any county property tax assessment board of
 30 appeals assesses or reassesses any real property under the provisions
 31 of this article, the official or county property tax assessment board of
 32 appeals shall give notice to the taxpayer and the county assessor, by
 33 mail, of the amount of the assessment or reassessment. **For assessment**
 34 **dates after February 28, 2002, the notice required under this**
 35 **section must state the true tax value of the taxpayer's property.**

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

- 39 (1) completes his appraisal of a parcel; or
- 40 (2) receives a report for a parcel from a professional appraiser or
 41 professional appraisal firm.

42 SECTION 9. IC 6-1.1-4-27 IS AMENDED TO READ AS



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1 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27. (a) The auditor
 2 of each county shall establish a property reassessment fund. The county
 3 treasurer shall deposit all collections resulting from the property taxes
 4 that the county is required to levy under this section in the county's
 5 property reassessment fund.

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

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

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

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

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

- 31 (1) the general reassessment of real property, including the
- 32 computerization of assessment records;
- 33 (2) payments to county assessors, members of property tax
- 34 assessment boards of appeals, or assessing officials under
- 35 IC 6-1.1-35.2;
- 36 (3) the development or updating of detailed soil survey data by
- 37 the United States Department of Agriculture or its successor
- 38 agency;
- 39 (4) the updating of plat books; and
- 40 (5) payments for the salary of permanent staff or for the
- 41 contractual services of temporary staff who are necessary to assist
- 42 county assessors, members of a county property tax assessment



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1 board of appeals, and assessing officials.
 2 (b) All counties shall use modern, detailed soil maps in the general
 3 reassessment of agricultural land.
 4 (c) The county treasurer of each county shall, in accordance with
 5 IC 5-13-9, invest any money accumulated in the property reassessment
 6 fund until the money is needed to pay general reassessment expenses.
 7 Any interest received from investment of the money shall be paid into
 8 the property reassessment fund.
 9 (d) An appropriation under this section ~~must~~ **may not** be approved
 10 by the fiscal body of the county ~~after the review and until after the~~
 11 **fiscal body considers the** recommendation of the county assessor.
 12 However, in a county with an elected township assessor under
 13 IC 36-6-5-1 in every township, only the fiscal body must approve an
 14 appropriation under this section. **A request for an appropriation**
 15 **under this section must be submitted to the county assessor at the**
 16 **same time the request is submitted to the fiscal body.**
 17 SECTION 11. IC 6-1.1-5-16 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 16. If an owner of
 19 existing contiguous parcels makes a written request that includes a
 20 **recorded deed having** a legal description of the existing contiguous
 21 parcels sufficient for the assessing official to identify each parcel and
 22 the area of all contiguous parcels, the assessing official shall
 23 consolidate more than one (1) existing contiguous parcel into a single
 24 parcel to the extent that the existing contiguous parcels are in a single
 25 taxing district and the same section. For existing contiguous parcels in
 26 more than one (1) taxing district or one (1) section, the assessing
 27 official shall, upon written request by the owner **that includes a**
 28 **recorded deed combining the contiguous parcels**, consolidate the
 29 existing contiguous parcels in each taxing district and each section into
 30 a single parcel. An assessing official shall consolidate more than one
 31 (1) existing contiguous parcel into a single parcel if the assessing
 32 official has knowledge that an improvement to the real property is
 33 located on or otherwise significantly affects the parcels **and the owner**
 34 **has recorded a deed combining the contiguous parcels.**
 35 SECTION 12. IC 6-1.1-5.5-3 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. (a) Before
 37 filing a conveyance document with the county auditor under
 38 IC 6-1.1-5-4, all the parties to the conveyance must complete and sign
 39 a sales disclosure form as prescribed by the state board of tax
 40 commissioners under section 5 of this chapter. All the parties may sign
 41 one (1) form, or if all the parties do not agree on the information to be
 42 included on the completed form, each party may sign and file a

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1 separate form.

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

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

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

18 **Chapter 8.5. Assessment of Industrial Facilities**

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

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

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

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

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

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

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

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

40 (b) The state board of tax commissioners shall schedule an
41 assessment under this chapter of a newly constructed industrial
42 facility within six (6) months of receiving notice of the construction

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1 from the appropriate township assessor.

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

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

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

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

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

32 **(b)** The division of appeals shall hold a hearing on the appeal
33 and issue an order within one (1) year of the date the appeal is
34 filed.

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

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

42 SECTION 14. IC 6-1.1-10-16 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 16. (a) All or part
 2 of a building is exempt from property taxation if it is owned, occupied,
 3 and used by a person for educational, literary, scientific, religious, or
 4 charitable purposes.

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

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

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

12 (2) the tract does not exceed:

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

14 (i) an educational institution; or

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

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

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

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

22 (2) the tract does not exceed:

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

24 (i) an educational institution; or

25 (ii) a tract that was exempt under this subsection on March
 26 1, 1987; or

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

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

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

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

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

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

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

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

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

13 (g) Property owned by a shared hospital services organization which
 14 is exempt from federal income taxation under Section 501(c)(3) or
 15 501(e) of the Internal Revenue Code is exempt from property taxation
 16 if it is owned, occupied, and used exclusively to furnish goods or
 17 services to a hospital whose property is exempt from property taxation
 18 under subsection (a), (b), or (e).

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

- 24 (1) provides or supports the provision of charity care (as defined
 25 in IC 16-18-2-52.5), including providing funds or other financial
 26 support for health care services for individuals who are indigent
 27 (as defined in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or
 28 (2) provides or supports the provision of community benefits (as
 29 defined in IC 16-21-9-1), including research, education, or
 30 government sponsored indigent health care (as defined in
 31 IC 16-21-9-2).

32 However, participation in the Medicaid or Medicare program alone
 33 does not entitle an office, practice, or other property described in this
 34 subsection to an exemption under this section.

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

- 37 (1) the tract is acquired for the purpose of erecting, renovating, or
 38 improving a single family residential structure that is to be given
 39 away or sold:
 40 (A) in a charitable manner;
 41 (B) by a nonprofit organization; and
 42 (C) to low income individuals who will:



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



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

3 (1) ceases to be eligible for the exemption under subsection (i)(4);
4 (2) fails to transfer the tangible property within six (6) years after
5 the assessment date for which the exemption is initially granted;
6 or

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

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

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

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

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

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

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

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

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

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

34 (2) Buildings that are used as parsonages.

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

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

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



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

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

8 SECTION 16. IC 6-1.1-10-36.5 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 36.5. Tangible
 10 property is not exempt from property taxation under sections 16
 11 through 28 of this chapter or under section 33 of this chapter if:

- 12 (1) it is used by the exempt organization in a trade or business,
 13 not substantially related to the exercise or performance of the
 14 organization's exempt purpose; **or**
- 15 (2) **it is used by the exempt organization in a trade or business
 16 that is determined by either the county assessor or the county
 17 property tax assessment board of appeals to be in direct
 18 competition with a nonexempt, for-profit enterprise.**

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

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

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

33 (d) **If real or personal property owned by an exempt
 34 organization is held, occupied, or possessed by another person who
 35 is not an exempt organization, the real or personal property shall
 36 be assessed and taxed as if it were the real or personal property of
 37 the person that holds, occupies, or possesses the property.**

38 SECTION 18. IC 6-1.1-11-3 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. (a) ~~The An~~
 40 owner of tangible property who wishes to obtain an exemption from
 41 property taxation shall file a certified application in duplicate with the
 42 ~~auditor assessor~~ of the county in which the property **that is the subject**

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1 **of the exemption** is located. The application must be filed annually on
 2 or before May 15 on forms prescribed by the state board of tax
 3 commissioners. **The county assessor shall forward a copy of the**
 4 **certified application to the county auditor.** Except as provided in
 5 sections 1, 3.5, and 4 of this chapter, the application applies only for
 6 the taxes imposed for the year for which the application is filed.

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

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

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

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

16 (3) The grounds for claiming the exemption.

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

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

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

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

37 (c) A not-for-profit corporation that receives an exemption provided
 38 under IC 6-1.1-10 for a particular year which becomes ineligible for the
 39 exemption for the following year shall notify the **auditor assessor** of the
 40 county in which the tangible property for which it claims the exemption
 41 is located of its ineligibility on or before May 15 of the year for which
 42 it becomes ineligible. **The county assessor shall notify the county**

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1 **auditor of the not-for-profit corporation's ineligibility for the**
 2 **exemption.**

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

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

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

22 SECTION 21. IC 6-1.1-12-18 (CURRENT VERSION) IS
 23 AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,
 24 2000]: Sec. 18. (a) If the assessed value of residential real property
 25 described in subsection (d) of this section is increased because it has
 26 been rehabilitated, the owner may have deducted from the assessed
 27 value of the property an amount not to exceed the lesser of:

- 28 (1) the total increase in assessed value resulting from the
 29 rehabilitation; or
 30 (2) three thousand dollars (\$3,000) per rehabilitated dwelling unit.

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

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

41 (c) For the purposes of this section, the term "owner" or "property
 42 owner" includes any person who has the legal obligation, or has

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1 otherwise assumed the obligation, to pay the real property taxes on the
2 rehabilitated property.

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

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

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

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

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

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

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

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

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

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

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

42 (1) a single family dwelling if before rehabilitation the assessed

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- 1 value (excluding any exemptions or deductions) of the
- 2 improvements does not exceed eighteen thousand dollars
- 3 (\$18,000);
- 4 (2) a two (2) family dwelling if before rehabilitation the assessed
- 5 value (excluding exemptions or deductions) of the improvements
- 6 does not exceed twenty-four thousand dollars (\$24,000); and
- 7 (3) a dwelling with more than two (2) family units if before
- 8 rehabilitation the assessed value (excluding any exemptions or
- 9 deductions) of the improvements does not exceed nine thousand
- 10 dollars (\$9,000) per dwelling unit.

11 SECTION 23. IC 6-1.1-12-22 (CURRENT VERSION) IS
 12 AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,
 13 2000]: Sec. 22. (a) If the assessed value of property is increased
 14 because it has been rehabilitated and the owner has paid at least ten
 15 thousand dollars (\$10,000) for the rehabilitation, the owner is entitled
 16 to have deducted from the assessed value of the property an amount
 17 equal to fifty percent (50%) of the increase in assessed value resulting
 18 from the rehabilitation. The owner is entitled to this deduction annually
 19 for a five (5) year period. However, the maximum deduction which a
 20 property owner may receive under this section for a particular year is:

- 21 (1) twenty thousand dollars (\$20,000) for a single family dwelling
- 22 unit; or
- 23 (2) one hundred thousand dollars (\$100,000) for any other type of
- 24 property.

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

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

41 SECTION 24. IC 6-1.1-12-22 (DELAYED VERSION) IS
 42 AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1,

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1 2001]: Sec. 22. (a) If the assessed value of property is increased
 2 because it has been rehabilitated and the owner has paid at least ten
 3 thousand dollars (\$10,000) for the rehabilitation, the owner is entitled
 4 to have deducted from the assessed value of the property an amount
 5 equal to fifty percent (50%) of the increase in assessed value resulting
 6 from the rehabilitation. The owner is entitled to this deduction annually
 7 for a five (5) year period. However, the maximum deduction which a
 8 property owner may receive under this section for a particular year is:

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

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

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

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

29 SECTION 25. IC 6-1.1-12-35 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 35. (a) Except as
 31 provided in section 36 of this chapter, a person who desires to claim the
 32 deduction provided by section 31, 33, or 34 of this chapter must file a
 33 certified statement in duplicate, on forms prescribed by the state board
 34 of tax commissioners, and proof of certification under subsection (b)
 35 with the auditor of the county in which the property for which the
 36 deduction is claimed is subject to assessment. Except as provided in
 37 subsection (e), with respect to property that is not assessed under
 38 IC 6-1.1-7, the person must file the statement between March 1 and
 39 May 10, inclusive, of the assessment year. The person must file the
 40 statement in each year for which ~~he~~ **the person** desires to obtain the
 41 deduction. With respect to a property which is assessed under
 42 IC 6-1.1-7, the person must file the statement between January 15 and



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1 March 31, inclusive, of each year for which ~~he~~ **the person** desires to
 2 obtain the deduction. The statement may be filed in person or by mail.
 3 If mailed, the mailing must be postmarked on or before the last day for
 4 filing. On verification of the statement by the assessor of the township
 5 in which the property for which the deduction is claimed is subject to
 6 assessment, the county auditor shall allow the deduction.

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

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

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

26 (e) A person who timely files a personal property return under
 27 IC 6-1.1-3-7(a) for an assessment year and who desires to claim the
 28 deduction provided in section 31 of this chapter for property that is not
 29 assessed under IC 6-1.1-7 must file the statement described in
 30 subsection (a) between March 1 and May 15, inclusive, of that year. A
 31 person who obtains a filing extension under IC 6-1.1-3-7(b) for an
 32 assessment year must file the application between March 1 and June
 33 14, inclusive, of that year.

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

37 (1) "Economic revitalization area" means an area which is within
 38 the corporate limits of a city, town, or county which has become
 39 undesirable for, or impossible of, normal development and
 40 occupancy because of a lack of development, cessation of growth,
 41 deterioration of improvements or character of occupancy, age,
 42 obsolescence, substandard buildings, or other factors which have



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1 impaired values or prevent a normal development of property or
 2 use of property. The term "economic revitalization area" also
 3 includes:

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

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

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

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

14 (A) was installed after February 28, 1983, and before January
 15 1, 2006, in an area that is declared an economic revitalization
 16 area after February 28, 1983, in which a deduction for tangible
 17 personal property is allowed; or

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

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

27 However, notwithstanding any other law, the term includes
 28 tangible personal property that is used to dispose of solid waste or
 29 hazardous waste by converting the solid waste or hazardous waste
 30 into energy or other useful products and was installed after March
 31 1, 1993, and before March 2, 1996, even if the property was
 32 installed before the area where the property is located was
 33 designated as an economic revitalization area or the statement of
 34 benefits for the property was approved by the designating body.

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

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

39 (A) on unimproved real estate; or

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

42 (6) "Rehabilitation" means the remodeling, repair, or betterment

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1 of property in any manner or any enlargement or extension of
2 property.

3 (7) "Designating body" means the following:

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

41 (1) the property has been rehabilitated; or

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

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

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

- 17 (1) as part of the resolution adopted under section 2.5 of this
 18 chapter; or
 19 (2) by resolution adopted within sixty (60) days after receiving a
 20 copy of a property owner's certified deduction application from
 21 the county auditor. A certified copy of the resolution shall be sent
 22 to the county auditor who shall make the deduction as provided
 23 in section 5 of this chapter.

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

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

- 34 (1) Private or commercial golf course.
 35 (2) Country club.
 36 (3) Massage parlor.
 37 (4) Tennis club.
 38 (5) Skating facility (including roller skating, skateboarding, or ice
 39 skating).
 40 (6) Racquet sport facility (including any handball or racquetball
 41 court).
 42 (7) Hot tub facility.



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- 1 (8) Suntan facility.
 2 (9) Racetrack.
 3 (10) Any facility the primary purpose of which is:
 4 (A) retail food and beverage service;
 5 (B) automobile sales or service; or
 6 (C) other retail;
 7 unless the facility is located in an economic development target
 8 area established under section 7 of this chapter.
 9 (11) Residential, unless:
 10 (A) the facility is a multifamily facility that contains at least
 11 twenty percent (20%) of the units available for use by low and
 12 moderate income individuals;
 13 (B) the facility is located in an economic development target
 14 area established under section 7 of this chapter; or
 15 (C) the area is designated as a residentially distressed area.
 16 (12) A package liquor store that holds a liquor dealer's permit
 17 under IC 7.1-3-10 or any other entity that is required to operate
 18 under a license issued under IC 7.1. However, this subdivision
 19 does not apply to an applicant that:
 20 (A) was eligible for tax abatement under this chapter before
 21 July 1, 1995; or
 22 (B) is described in IC 7.1-5-7-11.
- 23 SECTION 28. IC 6-1.1-12.1-4.5 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 4.5. (a) For
 25 purposes of this section, "personal property" means personal property
 26 other than inventory (as defined in IC 6-1.1-3-11(a)).
 27 (b) An applicant must provide a statement of benefits to the
 28 designating body. The applicant must provide the completed statement
 29 of benefits form to the designating body before the hearing specified in
 30 section 2.5(c) of this chapter or before the installation of the new
 31 manufacturing equipment for which the person desires to claim a
 32 deduction under this chapter. The state board of tax commissioners
 33 shall prescribe a form for the statement of benefits. The statement of
 34 benefits must include the following information:
 35 (1) A description of the new manufacturing equipment that the
 36 person proposes to acquire.
 37 (2) With respect to new manufacturing equipment not used to
 38 dispose of solid waste or hazardous waste by converting the solid
 39 waste or hazardous waste into energy or other useful products, an
 40 estimate of the number of individuals who will be employed or
 41 whose employment will be retained by the person as a result of
 42 the installation of the new manufacturing equipment and an

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1 estimate of the annual salaries of these individuals.

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

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

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

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

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

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

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

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

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

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

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

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

- 15 (1) the assessed value of the new manufacturing equipment in the
 16 year that the equipment is installed; multiplied by
 17 (2) the percentage prescribed in the table set forth in subsection
 18 (e).

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

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

22 YEAR OF DEDUCTION	PERCENTAGE
23 1st	100%
24 2nd	95%
25 3rd	80%
26 4th	65%
27 5th	50%
28 6th and thereafter	0%

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

30 YEAR OF DEDUCTION	PERCENTAGE
31 1st	100%
32 2nd	95%
33 3rd	90%
34 4th	85%
35 5th	80%
36 6th	70%
37 7th	55%
38 8th	40%
39 9th	30%
40 10th	25%
41 11th and thereafter	0%

42 (f) Notwithstanding subsections (d) and (e), a deduction under this



1 section is not allowed in the first year the deduction is claimed for new
 2 manufacturing equipment to the extent that it would cause the assessed
 3 value of all of the personal property of the owner in the taxing district
 4 in which the equipment is located (excluding personal property that is
 5 assessed as construction in process) to be less than the assessed value
 6 of all of the personal property of the owner in that taxing district
 7 (excluding personal property that is assessed as construction in
 8 process) in the immediately preceding year.

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

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

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

19 (2) by resolution adopted within sixty (60) days after receiving a
 20 copy of a property owner's certified deduction application from
 21 the state board of tax commissioners. A certified copy of the
 22 resolution shall be sent to the county auditor and the state board
 23 of tax commissioners.

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

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

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

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

38 SECTION 29. IC 6-1.1-12.1-5.5 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 5.5. (a) A person
 40 that desires to obtain the deduction provided by section 4.5 of this
 41 chapter must file a ~~certified deduction application~~ **schedule**, on forms
 42 prescribed by the state board of tax commissioners, with **the person's**

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1 **personal property return with the township assessor. The township**
 2 **assessor shall forward the personal property return and schedule**
 3 **to:**

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

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

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

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

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

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

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

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

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

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

37 (c) This subsection applies to a ~~deduction application schedule~~ with
 38 respect to new manufacturing equipment for which a statement of
 39 benefits was initially approved after April 30, 1991. If a determination
 40 about ~~whether the number of years for which~~ the deduction is ~~for a~~
 41 ~~period of five (5) or ten (10) years allowed~~ has not been made in the
 42 resolution adopted under section 2.5 of this chapter, the county auditor



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1 shall send a copy of the ~~deduction application schedule~~ to the
 2 designating body and the designating body shall adopt a resolution
 3 under section 4.5(h)(2) of this chapter.

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

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

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

- 21 (1) continues to use the equipment in compliance with any
- 22 standards established under section 2(g) of this chapter; and
- 23 (2) files the deduction applications required by this section.

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

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

- 33 (1) File a written notice with the state board of tax commissioners
- 34 informing the board of the person's intention to appeal.
- 35 (2) File a complaint in the tax court.
- 36 (3) Serve the attorney general and the county auditor with a copy
- 37 of the complaint.

38 SECTION 30. IC 6-1.1-12.1-5.6 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 5.6. (a) This
 40 subsection applies to a property owner whose statement of benefits was
 41 approved under section 4.5 of this chapter before July 1, 1991. In
 42 addition to the requirements of section 5.5(b) of this chapter, a



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1 ~~deduction application schedule~~ filed under section 5.5 of this chapter
 2 must contain information showing the extent to which there has been
 3 compliance with the statement of benefits approved under section 4.5
 4 of this chapter. Failure to comply with a statement of benefits approved
 5 before July 1, 1991, may not be a basis for rejecting a deduction.
 6 ~~application.~~

7 (b) This subsection applies to a property owner whose statement of
 8 benefits was approved under section 4.5 of this chapter after June 30,
 9 1991. In addition to the requirements of section 5.5(b) of this chapter,
 10 a property owner who files a ~~deduction application schedule~~ under
 11 section 5.5 of this chapter must provide the county auditor and the
 12 designating body with information showing the extent to which there
 13 has been compliance with the statement of benefits approved under
 14 section 4.5 of this chapter.

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

- 17 (1) The name and address of the taxpayer.
- 18 (2) The location and description of the new manufacturing
 19 equipment for which the deduction was granted.
- 20 (3) Any information concerning the number of employees at the
 21 facility where the new manufacturing equipment is located,
 22 including estimated totals that were provided as part of the
 23 statement of benefits.
- 24 (4) Any information concerning the total of the salaries paid to
 25 those employees, including estimated totals that were provided as
 26 part of the statement of benefits.
- 27 (5) Any information concerning the amount of solid waste or
 28 hazardous waste converted into energy or other useful products by
 29 the new manufacturing equipment.
- 30 (6) Any information concerning the assessed value of the new
 31 manufacturing equipment, including estimates that were provided
 32 as part of the statement of benefits.

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

- 35 (1) Any information concerning the specific salaries paid to
 36 individual employees by the owner of the new manufacturing
 37 equipment.
- 38 (2) Any information concerning the cost of the new
 39 manufacturing equipment.

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



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

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

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

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

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

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

26 (c) On the date specified in the notice described in subsection
27 (b)(2), the designating body shall conduct a hearing for the purpose of
28 further considering the property owner's compliance with the statement
29 of benefits. Based on the information presented at the hearing by the
30 property owner and other interested parties, the designating body shall
31 again determine whether the property owner has made reasonable
32 efforts to substantially comply with the statement of benefits and
33 whether any failure to substantially comply was caused by factors
34 beyond the control of the property owner. If the designating body
35 determines that the property owner has not made reasonable efforts to
36 comply with the statement of benefits, the designating body shall adopt
37 a resolution terminating the property owner's deduction under section
38 3 or 4.5 of this chapter. If the designating body adopts such a
39 resolution, the deduction does not apply to the next installment of
40 property taxes owed by the property owner or to any subsequent
41 installment of property taxes.

42 (d) If the designating body adopts a resolution terminating a

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1 deduction under subsection (c), the designating body shall immediately
2 mail a certified copy of the resolution to:

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

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

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

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

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

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

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

- 42 (1) within forty-five (45) days after notice of a change in the

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- 1 assessment is given to the taxpayer; or
 2 (2) May 10 of that year;
 3 whichever is later. The county assessor shall notify the county auditor
 4 **and the state board of tax commissioners** that the assessment is
 5 under appeal. **In addition, a notice shall be sent to each affected**
 6 **taxing unit when the appealed items constitute at least one percent**
 7 **(1% of the taxing unit's total gross certified assessed value for the**
 8 **immediately preceding year. The notice must include the**
 9 **appellant's name and address, the assessed value for the**
 10 **assessment date the year before the appeal, and the assessed value**
 11 **on the most recent assessment date. The county assessor shall**
 12 **compile a list of all units that must be notified under this subsection**
 13 **and shall forward the list and the information included on the**
 14 **notice to the state board of tax commissioners with any petition for**
 15 **review filed under section 3 of this chapter.**
- 16 (c) A change in an assessment made as a result of an appeal filed:
 17 (1) in the same year that notice of a change in the assessment is
 18 given to the taxpayer; and
 19 (2) after the time prescribed in subsection (b);
 20 becomes effective for the next assessment date.
- 21 (d) A taxpayer may appeal a current real estate assessment in a year
 22 even if the taxpayer has not received a notice of assessment in the year.
 23 If an appeal is filed on or before May 10 of a year in which the taxpayer
 24 has not received notice of assessment, a change in the assessment
 25 resulting from the appeal is effective for the most recent assessment
 26 date. If the appeal is filed after May 10, the change becomes effective
 27 for the next assessment date.
- 28 (e) The state board of tax commissioners shall prescribe the form of
 29 the petition for review of an assessment determination by a township
 30 assessor. The board shall issue instructions for completion of the form.
 31 The form and the instructions must be clear, simple, and
 32 understandable to the average individual. An appeal of such a
 33 determination must be made on the form prescribed by the board. The
 34 form must require the petitioner to specify the following:
 35 (1) The physical characteristics of the property in issue that bear
 36 on the assessment determination.
 37 (2) All other facts relevant to the assessment determination.
 38 (3) The reasons why the petitioner believes that the assessment
 39 determination by the township assessor is erroneous.
- 40 (f) The state board of tax commissioners shall prescribe a form for
 41 a response by the township assessor to the petition for review of an
 42 assessment determination. The board shall issue instructions for

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1 completion of the form. The form must require the township assessor
2 to indicate:

- 3 (1) agreement or disagreement with each item indicated on the
4 petition under subsection (e); and
5 (2) the reasons why the assessor believes that the assessment
6 determination is correct.

7 (g) Immediately upon receipt of a timely filed petition on the form
8 prescribed under subsection (e), the county assessor shall forward a
9 copy of the petition to the township assessor who made the challenged
10 assessment. The township assessor shall, within thirty (30) days after
11 the receipt of the petition, attempt to hold a preliminary conference
12 with the petitioner and resolve as many issues as possible. Within ten
13 (10) days after the conference, the township assessor shall forward to
14 the county auditor and county assessor a completed response to the
15 petition on the form prescribed under subsection (f). The county
16 assessor shall immediately forward a copy of the response form to the
17 petitioner and the county property tax assessment board of appeals. ~~If~~
18 ~~the county auditor determines that the appealed items on which there~~
19 ~~is disagreement constitute at least one percent (1%) of the total gross~~
20 ~~certified assessed value of the immediately preceding year for any~~
21 ~~particular unit, the county auditor shall immediately notify the fiscal~~
22 ~~officer of the unit.~~ If after the conference there are items listed in the
23 petition on which there is disagreement, the property tax assessment
24 board of appeals shall hold a hearing within ninety (90) days of the
25 filing of the petition on those items of disagreement, **except as**
26 **provided in subsection (h).** The taxpayer may present the taxpayer's
27 reasons for disagreement with the assessment. The township assessor
28 or county assessor for the county must present the basis for the
29 assessment decision on these items to the board of appeals at the
30 hearing and the reasons the petitioner's appeal should be denied on
31 those items. The board of appeals shall have a written record of the
32 hearing and prepare a written statement of findings and a decision on
33 each item within sixty (60) days of the hearing. If the township assessor
34 does not attempt to hold a preliminary conference, the board shall
35 accept the appeal of the petitioner at the hearing.

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

40 SECTION 33. IC 6-1.1-15-4 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 4. (a) After
42 receiving a petition for review which is filed under section 3 of this

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1 chapter, the division of appeals of the state board of tax commissioners
 2 shall conduct a hearing at its earliest opportunity. In addition, the
 3 division of appeals of the state board may assess the property in
 4 question, correcting any errors which may have been made. The
 5 division of appeals of the state board shall give notice of the date fixed
 6 for the hearing, by mail, to the taxpayer and to the appropriate township
 7 assessor, county assessor, and county auditor. **In addition, the notice**
 8 **shall be sent to each affected taxing unit identified on the list**
 9 **compiled by the county assessor under section 1(b) of this chapter**
 10 **and shall be forwarded with the petition for review.** The division of
 11 appeals of the state board shall give these notices at least ten (10) days
 12 before the day fixed for the hearing. **The notice must include the**
 13 **information provided by the county assessor under section 1(b) of**
 14 **this chapter.**

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

26 (c) The state board of tax commissioners shall prescribe a form for
 27 use in processing petitions for review of actions by the county property
 28 tax assessment board of appeals. The state board shall issue
 29 instructions for completion of the form. The form must require the
 30 division of appeals of the state board to indicate agreement or
 31 disagreement with each item that is:

- 32 (1) indicated on the petition submitted under section 1(e) of this
 33 chapter;
- 34 (2) included in the township assessor's response under section
 35 1(g) of this chapter; and
- 36 (3) included in the county property tax assessment board of
 37 appeals' findings, record, and determination under section 2.1(d)
 38 of this chapter.

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

42 (d) After the hearing the division of appeals of the state board shall

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1 give the petitioner, the township assessor, the county assessor, ~~and~~ the
 2 county auditor, **and the affected taxing units required to be notified**
 3 **under subsection (a):**

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

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

17 ~~(g)~~ **(f):**

- 18 (1) the failure of the division of appeals to make a determination
 19 within the time allowed by this subsection shall be treated as a
 20 final determination of the state board of tax commissioners to
 21 deny the petition; and
 22 (2) a final decision of the division of appeals is a final
 23 determination of the state board of tax commissioners.

24 ~~(g)~~ **(f)** A final determination of the division of appeals is not a final
 25 determination of the state board of tax commissioners if the state board
 26 of tax commissioners:

- 27 (1) gives notice to the parties that the state board of tax
 28 commissioners will review the determination of the division of
 29 appeals within fifteen (15) days after the division of appeals gives
 30 notice of the determination to the parties or the maximum
 31 allowable time for the issuance of a determination under
 32 subsection ~~(f)~~ **(e)** expires; or
 33 (2) determines to rehear the determination under section 5 of this
 34 chapter.

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

38 SECTION 34. IC 6-1.1-15-5 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 5. (a) Within
 40 fifteen (15) days after the division of appeals of the state board of tax
 41 commissioners gives notice of its final determination under section 4
 42 of this chapter to the party or the maximum allowable time for the

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

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

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

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

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

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

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

- 38 (1) forty-five (45) days after the state board of tax commissioners
 39 gives the person notice of its final determination under
 40 IC 6-1.1-14-11 unless a rehearing is conducted under subsection
 41 (a);
- 42 (2) thirty (30) days after the board gives the person notice under

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1 subsection (a) of its final determination, if a rehearing is
 2 conducted under subsection (a) or the maximum time elapses for
 3 the state board of tax commissioners to make a determination
 4 under this section; or

5 (3) forty-five (45) days after the division of appeals gives notice
 6 of a final determination under section 4 of this chapter or the
 7 division fails to make a determination within the maximum time
 8 allowed under section 4 of this chapter, if a rehearing is not
 9 granted under this section.

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

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

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

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

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

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

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

39 (2) **The transcript of the evidence and proceedings at the**
 40 **administrative hearing conducted by the division of appeals**
 41 **of the state board of tax commissioners.**

42 (3) **Copies of all exhibits and physical objects provided to the**



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1 **division of appeals of the state board of tax commissioners**
 2 **during the course of the administrative hearing conducted by**
 3 **the division of appeals.**

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

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

18 SECTION 36. IC 6-1.1-15-9 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 9. (a) If tangible
 20 property is reassessed by the state board of tax commissioners under
 21 section 8 of this chapter, the owner of the property has a right to appeal
 22 the board's final determination of the reassessment. In a case meeting
 23 the requirements of section 5(f)(1) or 5(f)(2) of this chapter, the county
 24 executive ~~also has a right to~~ **may** appeal the board's final determination
 25 of the reassessment ~~but only~~ upon request by the county assessor **or an**
 26 **affected taxing unit. If the appeal is taken at the request of an**
 27 **affected taxing unit, the taxing unit shall pay the costs of the**
 28 **appeal.**

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

31 SECTION 37. IC 6-1.1-15-10 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 10. (a) **This**
 33 **section applies to a petition for review to a board or an appeal to**
 34 **the tax court involving less than:**

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

- 23 (1) information concerning the assessed valuation in the political
 24 subdivision for the next calendar year;
 25 (2) an estimate of the taxes to be distributed to the political
 26 subdivision during the last six (6) months of the current calendar
 27 year;
 28 (3) the current assessed valuation as shown on the abstract of
 29 charges;
 30 (4) **the appellant's name, address, and the assessed value for**
 31 **the assessment date the year before the appeal and the**
 32 **assessed value on the most recent assessment date for each**
 33 **petition for review filed with any board or an appeal to the**
 34 **tax court for petitions and appeals as of July 15;**
 35 (5) the average growth in assessed valuation in the political
 36 subdivision over the preceding three (3) budget years, excluding
 37 years in which a general reassessment occurs, determined
 38 according to procedures established by the state board of tax
 39 commissioners; and
 40 ~~(5)~~ (6) any other information at the disposal of the county auditor
 41 that might affect the assessed value used in the budget adoption
 42 process.



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

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

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

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

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

15 (1) shall exclude appealed assessed value; and

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

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

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

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

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

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

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

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

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

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

- 26 (1) delinquent real property taxes;
- 27 (2) penalties due to the delinquency; and
- 28 (3) costs and expenses incurred in collecting the delinquent
 29 property tax, including reasonable attorney's fees and court costs
 30 approved by a court with jurisdiction.

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



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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

28 (i) acreage;

29 (ii) lots;

30 (iii) size;

31 (iv) location;

32 (v) use;

33 (vi) productivity or earning capacity;

34 (vii) applicable zoning provisions;

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

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

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

42 (i) size;

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- 1 (ii) location;
 2 (iii) use;
 3 (iv) type and character of construction;
 4 (v) age;
 5 (vi) condition;
 6 (vii) cost of reproduction; and
 7 (viii) any other factor that the board determines by rule is just
 8 and proper.

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

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

25 (c) **The rules of the state board of tax commissioners must**
 26 **include instructions for determining the starting point for the**
 27 **valuation of used depreciable personal property after a sale or**
 28 **transfer of the property.**

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

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

- 38 (1) date of purchase;
 39 (2) location;
 40 (3) use;
 41 (4) depreciation, obsolescence, and condition; and
 42 (5) any other factor that the board determines by rule is ~~just and~~



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- 1 ~~proper.~~ **necessary to provide for the just valuation of property.**
- 2 (b) With respect to the assessment of personal property, the rules of
- 3 the state board of tax commissioners shall **use the most recent**
- 4 **objectively verifiable data at the time the rules are adopted and**
- 5 include instructions for determining:
- 6 (1) the proper classification of personal property;
- 7 (2) the effect that location has on the **true tax** value of personal
- 8 property;
- 9 (3) the cost of reproducing personal property;
- 10 (4) the depreciation, including physical deterioration and
- 11 obsolescence, of personal property; and
- 12 (5) the true tax value of personal property based on the factors
- 13 listed in this subsection and any other factor that the board
- 14 determines by rule is ~~just and proper.~~ **necessary to provide for**
- 15 **the just valuation of property.**
- 16 (c) In providing for the classification of personal property and the
- 17 instructions for determining the items listed in subsection (b), the state
- 18 board of tax commissioners shall not include the value of land as a cost
- 19 of producing tangible personal property subject to assessment.
- 20 (d) With respect to the assessment of personal property, true tax
- 21 value does not mean fair market value. True tax value is the value
- 22 determined under ~~the~~ rules of the state board of tax commissioners.
- 23 SECTION 49. IC 6-1.1-31.5-2 IS AMENDED TO READ AS
- 24 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. (a) The board
- 25 shall adopt rules under IC 4-22-2 to prescribe computer specification
- 26 standards and for the certification of:
- 27 (1) computer operating systems;
- 28 (2) computer software;
- 29 (3) software providers;
- 30 (4) computer service providers; and
- 31 (5) computer equipment providers.
- 32 (b) The rules of the board shall provide for **the following:**
- 33 (1) The effective and efficient administration of assessment laws.
- 34 (2) The prompt updating of assessment data **annually in a**
- 35 **manner that the assessments may be updated each year using**
- 36 **the most recent valuation standards, beginning in 2004.**
- 37 (3) The administration of information contained in the sales
- 38 disclosure form, as required under IC 6-1.1-5.5. ~~and~~
- 39 (4) **Annually updating the land valuation standards under**
- 40 **IC 6-1.1-4-13.6, beginning in 2004.**
- 41 (5) **Annually updating the standards for reproduction costs**
- 42 **and depreciation as determined under IC 6-1.1-31-6 and**

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

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

5 ~~(7)~~ **(7) Any** other information necessary to carry out the
 6 administration of the property tax assessment laws.

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

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

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

- 21 (1) process and maintain assessment records;
 22 (2) process and maintain standardized property tax forms;
 23 (3) process and maintain standardized property assessment
 24 notices;
 25 (4) maintain complete and accurate assessment records for the
 26 county; and
 27 (5) process and compute complete and accurate assessments in
 28 accordance with Indiana law.

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

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

- 38 (1) township assessors;
 39 (2) the county assessor;
 40 (3) the board; and
 41 (4) members of the county property tax assessment board of
 42 appeals.



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

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

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

13 (1) **The cost of reproducing improvements.**

14 (2) **The depreciation of real property.**

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

- 12 (1) **a course on basic assessment administration with an**
 13 **examination; and**
 14 (2) **the information necessary to obtain a level one**
 15 **certification under rules adopted by the state board of tax**
 16 **commissioners.**

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

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

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

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1 chosen by the state board of tax commissioners.

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

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

13 **(b) The state board of tax commissioners shall revoke the**
 14 **certification of an individual if the state board reasonably**
 15 **determines that the individual committed fraud or**
 16 **misrepresentation with respect to the preparation, administration,**
 17 **or taking of the examination. The state board of tax commissioners**
 18 **shall give notice and hold a hearing to consider all of the evidence**
 19 **about the fraud or misrepresentation before revoking the**
 20 **individual's certification.**

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

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

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

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

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



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

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

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

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

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

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

22 (1) the date of payment; or

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

25 whichever occurs first.

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

30 (1) the next May 10; or

31 (2) the next November 10;

32 whichever occurs first.

33 (d) A taxpayer shall begin paying the penalty prescribed in section
 34 10 of this chapter on the day after the date for payment prescribed in
 35 subsection (c) if:

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

38 (2) he either:

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

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

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- 1 taxes.
- 2 (e) If subsection (d) does not apply, a taxpayer who has not paid the
- 3 amount of taxes resulting from the action or determination shall begin
- 4 paying the penalty prescribed in section 10 of this chapter on:
- 5 (1) the next May 10 which follows the date for payment
- 6 prescribed in subsection (c); or
- 7 (2) the next November 10 which follows the date for payment
- 8 prescribed in subsection (c);
- 9 whichever occurs first.
- 10 (f) A taxpayer is not subject to the payment of interest on real
- 11 property assessments under subsection (b) if:
- 12 (1) an assessment is made or increased after the date or dates on
- 13 which the taxes for the year for which the assessment is made
- 14 were due;
- 15 (2) the assessment or the assessment increase is made as the result
- 16 of error or neglect by the assessor or by any other official
- 17 involved with the assessment of property or the collection of
- 18 property taxes; and
- 19 (3) the assessment:
- 20 (A) would have been made on the normal assessment date if
- 21 the error or neglect had not occurred; or
- 22 (B) increase would have been included in the assessment on
- 23 the normal annual assessment date if the error or neglect had
- 24 not occurred.
- 25 SECTION 62. IC 6-1.1-40-11 IS AMENDED TO READ AS
- 26 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 11. (a) A person
- 27 that desires to obtain the deduction provided by section 10 of this
- 28 chapter must file a certified deduction application, on forms prescribed
- 29 by the state board of tax commissioners, with:
- 30 (1) the auditor of the county in which the new manufacturing
- 31 equipment and inventory is located; and
- 32 (2) the ~~state board of tax commissioners~~ **designating body**.
- 33 A person that timely files a personal property return under
- 34 IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment
- 35 is installed or the inventory is subject to assessment must file the
- 36 application between March 1 and May 15 of that year. A person that
- 37 obtains a filing extension under IC 6-1.1-3-7(b) for the year in which
- 38 the new manufacturing equipment is installed or the inventory is
- 39 subject to assessment must file the application between March 1 and
- 40 June 14 of that year.
- 41 (b) The application required by this section must contain the
- 42 following information:



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- 1 (1) The name of the owner of the new manufacturing equipment
2 and inventory.
- 3 (2) A description of the new manufacturing equipment and
4 inventory.
- 5 (3) Proof of the date the new manufacturing equipment was
6 installed.
- 7 (4) The amount of the deduction claimed for the first year of the
8 deduction.
- 9 (c) A deduction application must be filed under this section in the
10 year in which the new manufacturing equipment is installed or the
11 inventory is subject to assessment and in each of the immediately
12 succeeding nine (9) years.
- 13 (d) The ~~state board of tax commissioners designating body~~ shall
14 review and verify the correctness of each application and shall notify
15 the county auditor ~~of the county in which the property is located~~ that
16 the application is approved or denied or that the amount of the
17 deduction is altered. Upon notification of approval of the application
18 or of alteration of the amount of the deduction, the county auditor shall
19 make the deduction.
- 20 (e) If the ownership of new manufacturing equipment changes, the
21 deduction provided under section 10 of this chapter continues to apply
22 to that equipment if the new owner:
- 23 (1) continues to use the equipment in compliance with any
24 standards established under section 7(c) of this chapter; and
25 (2) files the applications required by this section.
- 26 (f) The amount of the deduction is:
- 27 (1) the percentage under section 10 of this chapter that would
28 have applied if the ownership of the property had not changed;
29 multiplied by
30 (2) the assessed value of the equipment for the year the deduction
31 is claimed by the new owner.
- 32 SECTION 63. IC 20-5-7-6 IS ADDED TO THE INDIANA CODE
33 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
34 **JANUARY 1, 2000]: Sec. 6. The county auditor shall make the tax**
35 **duplicates held by the county auditor and county treasurer**
36 **available to the treasurer, or the treasurer's designee, of each**
37 **school corporation in the county.**
- 38 SECTION 64. IC 36-2-5-3 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) The county
40 fiscal body shall fix the compensation of officers, deputies, and other
41 employees whose compensation is payable from the county general
42 fund, county highway fund, county health fund, county park and

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

- 3 (1) fix the number of officers, deputies, and other employees;
- 4 (2) describe and classify positions and services;
- 5 (3) adopt schedules of compensation; and
- 6 (4) hire or contract with persons to assist in the development of
7 schedules of compensation.

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

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

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

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

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

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

- 34 (1) Prescribe the form of reports and accounts to be submitted to
35 the department.
- 36 (2) Sign and issue all warrants on the city treasury.
- 37 (3) Audit and revise all accounts and trusts in which the city is
38 concerned.
- 39 (4) Keep separate accounts for each item of appropriation made
40 for each city department, including a statement showing the
41 amount drawn on each appropriation, the unpaid contracts
42 charged against it, and the balance remaining.



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- 1 (5) At the end of each fiscal year, submit under oath to the city
- 2 legislative body a report of the accounts of the city published in
- 3 pamphlet form and showing revenues, receipts, expenditures, and
- 4 the sources of revenues.
- 5 (6) Maintain custody of the records of the department and turn
- 6 them over to the fiscal officer's successor in office.
- 7 (7) Perform duties prescribed by statute concerning the
- 8 negotiation of city bonds, notes, and warrants.
- 9 (8) Keep a register of bonds of the city and of transfers of those
- 10 bonds.
- 11 (9) Manage the finances and accounts of the city and make
- 12 investments of city money, subject to the ordinances of the
- 13 legislative body.
- 14 (10) Issue city licenses on payment of the license fee.
- 15 (11) Collect fees as fixed by ordinance.
- 16 (12) Pay into the city treasury, once each week, all fees and other
- 17 city money collected by the department during the preceding
- 18 week, specifying the source of each item.
- 19 (13) Prescribe payroll and account forms for all city offices.
- 20 (14) Prescribe the manner in which salaries shall be drawn.
- 21 (15) Prescribe the manner in which creditors, officers, and
- 22 employees shall be paid.
- 23 (16) Provide that all salaries are payable monthly, unless the
- 24 legislative body establishes more frequent payments.
- 25 (17) Notify the city executive of the failure of any city officer to
- 26 collect money due the city or to pay city money into the city
- 27 treasury.
- 28 (18) Draw warrants on the city treasury for miscellaneous city
- 29 expenditures not made under the direction of a department and
- 30 not specifically fixed by statute.
- 31 **(19) Examine for proper form concerning city taxes the tax**
- 32 **duplicates held by the county auditor and county treasurer.**
- 33 **(20) Examine property tax assessments for proper form**
- 34 **concerning city taxes.**
- 35 SECTION 67. IC 36-6-8-5 IS AMENDED TO READ AS
- 36 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) When
- 37 performing the real property reassessment duties prescribed by
- 38 IC 6-1.1-4, ~~an elected~~ a township assessor may receive per diem
- 39 compensation, in addition to salary, at a rate fixed by the county fiscal
- 40 body, for each day that he is engaged in reassessment activities,
- 41 **including service on the county land valuation commission.**
- 42 (b) Subsection (a) applies regardless of whether professional

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1 assessing services are provided to a township under contract.

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

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

10 (b) For the purpose of computing:

- 11 (1) the assessed value growth quotient under IC 6-1.1-18.5-2; and
12 (2) any other value that requires the use of an assessed value from
13 a date before March 1, ~~2001~~; **2003**.

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

20 (c) For the purpose of computing:

- 21 (1) a tax rate under IC 6-1.1-19-1.5; and
22 (2) any other value that requires the use of a tax rate from a date
23 before March 1, ~~2001~~; **2003**;

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

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

32 (e) If a maximum property tax rate that was enacted before 1997 is
33 not amended by this act, the state board of tax commissioners shall
34 adjust the maximum tax rate to eliminate the effects of changing
35 assessed values from thirty-three and thirty-three hundredths percent
36 (33.33%) of true tax value to one hundred percent (100%) of true tax
37 value.

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

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



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

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

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

17 (j) The state board of tax commissioners shall, if necessary to
 18 protect owners of bonds payable in whole or in part from tax increment,
 19 adjust the base assessed value to neutralize the effect of changing
 20 assessed values under this act from thirty-three and thirty-three
 21 hundredths percent (33.33%) of true tax value to one hundred percent
 22 (100%) of true tax value under the following statutes:

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

29 SECTION 70. [EFFECTIVE JANUARY 1, 2000] (a) **During the**
 30 **2000 legislative interim, the commission on state tax and financing**
 31 **policy (IC 2-5-3) shall study the issue of annual adjustments to the**
 32 **true tax values of real property in Indiana and the need for**
 33 **periodic physical inspections of real property. The commission may**
 34 **recommend to the general assembly for enactment in 2001 any**
 35 **statutory changes necessary or desirable to implement a system for**
 36 **making annual adjustments beginning with the assessments for**
 37 **March 1, 2004, and any changes to the laws governing general**
 38 **reassessments when an annual adjustment system is in place.**

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

40 SECTION 71. [EFFECTIVE JANUARY 1, 2000] **IC 6-1.1-15-1,**
 41 **IC 6-1.1-15-4, IC 6-1.1-15-5, IC 6-1.1-15-9, IC 6-1.1-15-10,**
 42 **IC 6-1.1-15-11, and IC 6-1.1-17-1, all as amended by this act, and**



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1 IC 6-1.1-15-10.5 and IC 6-1.1-17-2.5, both as added by this act,
 2 apply to property taxes first due and payable after December 31,
 3 1999.

4 SECTION 72. [EFFECTIVE JANUARY 1, 2000] Notwithstanding
 5 any other law, the changes made to various statutes in P.L.6-1997
 6 to adjust assessed values of property for property tax purposes to
 7 reflect changing assessed values from one-third (1/3) of the true tax
 8 value of property to one hundred percent (100%) of the true tax
 9 value that were to become effective on March 1, 2001, instead take
 10 effect on March 1, 2003. Any other change to these statutes in
 11 P.L.6-1997 or another public law is not affected by this SECTION.
 12 These statutes include but are not limited to IC 3-11-6-9,
 13 IC 4-9.1-1-10, IC 6-1.1-3-7, IC 6-1.1-12-1, IC 6-1.1-12-9,
 14 IC 6-1.1-12-11, IC 6-1.1-12-13, IC 6-1.1-12-14, IC 6-1.1-12-16,
 15 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,
 16 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,
 17 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,
 18 IC 6-6-5-14, IC 6-6-6.5-22, IC 8-1-11.1-8, IC 8-1.5-4-8,
 19 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,
 20 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,
 21 IC 10-7-6-2, IC 10-7-6-4, IC 12-20-23-2, IC 12-20-23-15,
 22 IC 12-20-23-19, IC 12-20-25-4, IC 12-20-25-42, IC 12-29-1-1,
 23 IC 12-29-1-2, IC 12-29-1-3, IC 12-29-2-2, IC 12-29-2-13,
 24 IC 12-29-3-6, IC 13-21-3-12, IC 13-21-3-15, IC 13-21-7-12,
 25 IC 14-27-6-30, IC 14-27-6-48, IC 14-33-7-3, IC 14-33-21-5,
 26 IC 15-1-6-2, IC 15-1.5-8-1, IC 16-20-2-18, IC 16-20-4-27,
 27 IC 16-20-7-2, IC 16-22-5-4, IC 16-22-8-41, IC 16-23-1-28,
 28 IC 16-23-1-29, IC 16-23-3-6, IC 16-23-4-2, IC 16-23-5-6,
 29 IC 16-23-7-2, IC 16-23-8-2, IC 16-23-9-2, IC 16-23-9-4,
 30 IC 16-41-15-5, IC 16-41-33-4, IC 20-5-17.5-2, IC 20-5-17.5-3,
 31 IC 20-5-37-4, IC 20-14-7-5.1, IC 20-14-7-6, IC 20-14-13-12,
 32 IC 21-1-11-2, IC 21-1-11-3, IC 21-1-11-5, IC 21-2-15-11,
 33 IC 21-2-17-2, IC 21-3-3.1-2.1, IC 23-13-5-8, IC 23-13-17-1,
 34 IC 23-14-66-2, IC 23-14-67-3, IC 33-3-5-12, IC 35-33-8-3.1,
 35 IC 36-1-15, IC 36-7-13-4, IC 36-7-14-25.1, IC 36-7-14-28,
 36 IC 36-7-15.1-16, IC 36-7-29-15, IC 36-8-14-4, IC 36-8-15-16,
 37 IC 36-8-15-19, IC 36-9-4-48, IC 36-9-6.1-2, IC 36-9-6.5-10,
 38 IC 36-9-14-5, IC 36-9-16-5, IC 36-9-16-6, IC 36-9-17-5,
 39 IC 36-9-25-27, IC 36-9-25-31, IC 36-9-27-100, IC 36-9-29-23,
 40 IC 36-9-29-31, IC 36-10-3-21, IC 36-10-3-24, IC 36-10-4-36,
 41 IC 36-10-6-2, IC 36-10-7-7, IC 36-10-7-8, IC 36-10-7.5-19, and
 42 IC 36-10-7.5-22.



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1 **SECTION 73. An emergency is declared for this act.**

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