

Adopted	Rejected
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COMMITTEE REPORT

YES:	19
NO:	3

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1196, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Delete the amendment adopted by the consent of the House Ways
- 2 and Means Committee on January 29, 2002.
- 3 Page 1, between the enacting clause and line 1, begin a new
- 4 paragraph and insert:
- 5 "SECTION 1. IC 4-21.5-5-3 IS AMENDED TO READ AS
- 6 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The
- 7 following ~~persons~~ have standing to obtain judicial review of an agency
- 8 action:
- 9 (1) A person to whom the agency action is specifically directed.
- 10 (2) A person who was a party to the agency proceedings that led
- 11 to the agency action.
- 12 (3) A person eligible for standing under a law applicable to the
- 13 agency action.
- 14 (4) A person otherwise aggrieved or adversely affected by the
- 15 agency action.

1 **(5) The department of local government finance with respect**
2 **to judicial review of a final determination of the Indiana**
3 **board of tax review in an action in which the department has**
4 **intervened under IC 6-1.1-15-5(b).**

- 5 (b) A person has standing under subsection (a)(4) only if:
 - 6 (1) the agency action has prejudiced or is likely to prejudice the
 - 7 interests of the person;
 - 8 (2) the person:
 - 9 (A) was eligible for an initial notice of an order or proceeding
 - 10 under this article, was not notified of the order or proceeding
 - 11 in substantial compliance with this article, and did not have
 - 12 actual notice of the order or proceeding before the last date in
 - 13 the proceeding that the person could object or otherwise
 - 14 intervene to contest the agency action; or
 - 15 (B) was qualified to intervene to contest an agency action
 - 16 under IC 4-21.5-3-21(a), petitioned for intervention in the
 - 17 proceeding, and was denied party status;
 - 18 (3) the person's asserted interests are among those that the agency
 - 19 was required to consider when it engaged in the agency action
 - 20 challenged; and
 - 21 (4) a judgment in favor of the person would substantially
 - 22 eliminate or redress the prejudice to the person caused or likely
 - 23 to be caused by the agency action.

24 SECTION 1. IC 6-1.1-3-14 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 14. The township
26 assessor shall:

- 27 **(1) examine and verify; or**
- 28 **(2) allow a contractor under IC 6-1.1-36-12 to examine and**
- 29 **verify;**

30 the accuracy of each personal property return filed with ~~him~~ **the**
31 **township assessor** by a taxpayer. If appropriate, the assessor **or**
32 **contractor under IC 6-1.1-36-12** shall compare a return with the
33 books of the taxpayer and with personal property owned, held,
34 possessed, controlled, or occupied by the taxpayer.

35 SECTION 2. IC 6-1.1-4-13 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) In assessing
37 or reassessing land, the land shall be assessed as agricultural land only
38 when it is devoted to agricultural use.

1 (b) In making a general reassessment of land used for agriculture;
 2 the county assessor shall appoint a committee of five (5) competent
 3 persons to help determine land values. At least two (2) of the
 4 committee members must be agricultural land owners of the county.
 5 The committee shall be known as the county agricultural land advisory
 6 committee. The indicators of value determined by this committee shall
 7 be submitted to the tax commissioners' agricultural advisory council;
 8 as established under IC 6-1.1-38-1, as guides for ascertaining the value
 9 of agricultural land.

10 (c) ~~(b)~~ The state board of tax commissioners **department of local**
 11 **government finance** shall give written notice to each county assessor
 12 of:

13 (1) the availability of the United States Department of
 14 Agriculture's soil survey data; and

15 (2) the appropriate soil productivity factor for each type or
 16 classification of soil shown on the United States Department of
 17 Agriculture's soil survey map.

18 All assessing officials and the property tax assessment board of appeals
 19 shall use the data in determining the true tax value of agricultural land.

20 (d) ~~(c)~~ The state board of tax commissioners **department of local**
 21 **government finance** shall by rule provide for the method for
 22 determining the true tax value of each parcel of agricultural land.

23 (e) ~~(d)~~ This section does not apply to land purchased for industrial,
 24 commercial, or residential uses.

25 SECTION 3. IC 6-1.1-4-25, AS AMENDED BY P.L.198-2001,
 26 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 UPON PASSAGE]: Sec. 25. (a) Each township assessor shall keep the
 28 assessor's reassessment data and records current by securing the
 29 necessary field data and by making changes in the assessed value of
 30 real property as changes occur in the use of the real property. The
 31 township assessor's records shall at all times show the assessed value
 32 of real property in accordance with the provisions of this chapter. The
 33 township assessor shall ensure that the county assessor has full access
 34 to the assessment records maintained by the township assessor.

35 (b) The township assessor in a county having a consolidated city, or
 36 the county assessor in every other county, shall:

37 (1) maintain an electronic data file of:

38 (A) the parcel characteristics and parcel assessments of all

- 1 parcels; **and**
 2 **(B) the personal property return characteristics and**
 3 **assessments by return;**
 4 for each township in the county as of each assessment date; ~~that~~
 5 ~~is~~
 6 **(2) maintain the file** in the form required by:
 7 (A) the legislative services agency; and
 8 (B) the department of local government finance; and
 9 ~~(2)~~ **(3) transmit the data in the file** with respect to the assessment
 10 date of each year before October 1 of the year to:
 11 (A) the legislative services agency; and
 12 (B) the department of local government finance.
- 13 SECTION 4. IC 6-1.1-4-27.5, AS ADDED BY P.L.198-2001,
 14 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 UPON PASSAGE]: Sec. 27.5. (a) The auditor of each county shall
 16 establish a property reassessment fund. The county treasurer shall
 17 deposit all collections resulting from the property taxes that the county
 18 is required to levy under this section in the county's property
 19 reassessment fund.
- 20 (b) With respect to the general reassessment of real property which
 21 is to commence on July 1, 2004, the county council of each county
 22 shall, for property taxes due in the year in which the general
 23 reassessment is to commence and the two (2) years immediately
 24 preceding that year, levy against all the taxable property of the county
 25 an amount equal to one-third (1/3) of the estimated cost of the general
 26 reassessment.
- 27 (c) With respect to a general reassessment of real property that is to
 28 commence on July 1, 2008, and each fourth year thereafter, the county
 29 council of each county shall, for property taxes due in the year that the
 30 general reassessment is to commence and the three (3) years preceding
 31 that year, levy against all the taxable property in the county an amount
 32 equal to one-fourth (1/4) of the estimated cost of the general
 33 reassessment.
- 34 (d) The state board of tax commissioners or the department of local
 35 government finance shall give to each county council notice, before
 36 January 1 **in a year** of the tax levies required by this section **for that**
 37 **year.**
- 38 (e) The state board of tax commissioners or the department of local

1 government finance may raise or lower the property taxes levied tax
 2 levy under this section for a year if the state board or the department
 3 determines it is appropriate because the estimated cost of the a general
 4 reassessment, **including a general reassessment to be completed for**
 5 **the March 1, 2002, assessment date**, has changed.

6 (f) If the county council determines that there is insufficient money
 7 in the county's reassessment fund to pay all expenses (as permitted
 8 under ~~section sections 28 28.5 and 32~~ of this chapter) relating to the
 9 general reassessment of real property commencing July 1, 2000, the
 10 county may, for the purpose of paying expenses (as permitted under
 11 ~~section sections 28 28.5 and 32~~ of this chapter) relating to the general
 12 reassessment commencing July 1, 2000, use money deposited in the
 13 fund from taxes levied in the tax levy under this section for 2000 or
 14 a later year.

15 SECTION 5. IC 6-1.1-4-32, AS ADDED BY P.L.151-2001,
 16 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 UPON PASSAGE]: Sec. 32. (a) **As used in this section, "contract"**
 18 **refers to a contract entered into under this section.**

19 (b) **As used in this section, "contractor" refers to a firm that**
 20 **enters into a contract with the state board of tax commissioners**
 21 **(before January 1, 2002) or the department of local government**
 22 **finance (after December 31, 2001) under this section.**

23 (c) As used in this section, "qualifying county" means a county
 24 having a population of more than four hundred thousand (400,000) but
 25 less than seven hundred thousand (700,000).

26 ~~(b)~~ (d) Notwithstanding ~~IC 6-1.1-4-15~~ **sections 15** and
 27 ~~IC 6-1.1-4-17, 17~~ **of this chapter** a township assessor in a qualifying
 28 county may not appraise property, or have property appraised, for the
 29 general reassessment of real property to be completed for the March 1,
 30 2002, assessment date. Completion of that general reassessment in a
 31 qualifying county is instead governed by this section. The only duty of:

32 (1) a township assessor in a qualifying county; or

33 (2) a county assessor of a qualifying county;

34 with respect to that general reassessment is to provide to the ~~state board~~
 35 **department of tax commissioners local government finance** or the
 36 ~~state board's department's~~ **contractor** under subsection ~~(c)~~ (e) any
 37 support and information requested by the state board (**before January**
 38 **1, 2002), department (after December 31, 2001),** or the contractor.

1 **This subsection expires June 30, 2004.**

2 ~~(c)~~ (e) The state board of tax commissioners (**before January 1,**
3 **2002) and the department of local government finance (after**
4 **December 31, 2001)** shall select and contract with a nationally
5 recognized certified public accounting firm with expertise in the
6 appraisal of real property to appraise property for the general
7 reassessment of real property in a qualifying county to be completed for
8 the March 1, 2002, assessment date. **The department of local**
9 **government finance may enter into additional contracts to provide**
10 **software or other auxiliary services to be used for the appraisal of**
11 **property for the general reassessment.** The contract applies for the
12 appraisal of land and improvements with respect to all classes of real
13 property in the qualifying county. The contract must include:

- 14 (1) a provision requiring the appraisal firm to:
- 15 (A) prepare a detailed report of:
- 16 (i) expenditures made after July 1, 1999, and before the date
17 of the report from the qualifying county's reassessment fund
18 under ~~IC 6-1.1-4-28~~; **section 28 of this chapter (repealed);**
19 and
20 (ii) the balance in the reassessment fund as of the date of the
21 report; and
- 22 (B) file the report with:
- 23 (i) the legislative body of the qualifying county;
24 (ii) the prosecuting attorney of the qualifying county;
25 (iii) the ~~state board department of tax commissioners;~~ **local**
26 **government finance;** and
27 (iv) the attorney general;
- 28 (2) a fixed date by which the appraisal firm must complete all
29 responsibilities under the contract;
- 30 (3) **subject to subsection (t),** a provision requiring the appraisal
31 firm to use the land values determined for the qualifying county
32 under ~~IC 6-1.1-4-13.6~~; **section 13.6 of this chapter;**
- 33 (4) a penalty clause under which the amount to be paid for
34 appraisal services is decreased for failure to complete specified
35 services within the specified time;
- 36 (5) a provision requiring the appraisal firm to make periodic
37 reports to the ~~state board department of tax commissioners;~~ **local**
38 **government finance;**

- 1 (6) a provision stipulating the manner in which, and the time
 2 intervals at which, the periodic reports referred to in subdivision
 3 (5) are to be made;
 4 (7) a precise stipulation of what service or services are to be
 5 provided;
 6 (8) a provision requiring the appraisal firm to deliver a report of
 7 the assessed value of each parcel in a township in the qualifying
 8 county to the ~~state board department~~ of ~~tax commissioners~~; **local**
 9 **government finance**; and
 10 (9) any other provisions required by the ~~state board department~~
 11 of ~~tax commissioners~~; **local government finance**.

12 **After December 31, 2001, the department of local government**
 13 **finance has all the powers and duties of the state board of tax**
 14 **commissioners provided under a contract entered into under this**
 15 **subsection (as effective before January 1, 2002) before January 1,**
 16 **2002. The contract is valid to the same extent as if it were entered**
 17 **into by the department of local government finance. However, a**
 18 **reference in the contract to the state board of tax commissioners**
 19 **shall be treated as a reference to the department of local**
 20 **government finance. The contract shall be treated for all purposes,**
 21 **including the application of IC 33-3-5-2.5, as the contract of the**
 22 **department of local government finance. This subsection expires**
 23 **June 30, 2004.**

24 ~~(d)~~ **(f)** At least one **(1)** time each month, the contractors that will
 25 make physical visits to the site of real property for reassessment
 26 purposes shall publish a notice under IC 5-3-1 describing the areas
 27 that are scheduled to be visited within the next thirty **(30)** days and
 28 explaining the purposes of the visit. The notice shall be published
 29 in a way to promote understanding of the purposes of the visit in
 30 the affected areas. After receiving the report of assessed values from
 31 the appraisal firm acting under a contract described in subsection
 32 ~~(e)~~, the ~~state board department~~ of ~~tax commissioners~~ **local**
 33 **government finance** shall give notice to the taxpayer and the county
 34 assessor, by mail, of the amount of the reassessment. The notice of
 35 reassessment is subject to appeal by the taxpayer to the ~~state~~ **Indiana**
 36 ~~board of tax commissioners~~. Except as provided in subsection ~~(e)~~; **(g)**,
 37 the procedures and time limitations that apply to an appeal to the ~~state~~
 38 **Indiana** board of ~~tax commissioners~~ of a determination of the county

1 property tax assessment board of appeals under IC 6-1.1-15 apply to an
 2 appeal under this subsection. A determination by the **state Indiana**
 3 **board of tax commissioners** of an appeal under this subsection is
 4 subject to appeal to the tax court under IC 6-1.1-15. **This subsection**
 5 **expires on the later of June 30, 2004, or the date a final**
 6 **determination is entered in the last pending appeal filed under this**
 7 **subsection.**

8 ~~(e)~~ **(g)** In order to obtain a review by the **state Indiana** board of ~~tax~~
 9 ~~commissioners~~ under subsection ~~(d)~~; **(f)**, the taxpayer must file a
 10 petition for review with the appropriate county assessor within
 11 forty-five (45) days after the notice of the ~~state board department of~~
 12 ~~tax commissioners local government finance~~ is given to the taxpayer
 13 under subsection ~~(d)~~; **(f)**. **This subsection expires June 30, 2004.**

14 ~~(f)~~ **(h)** The ~~state board department of tax commissioners local~~
 15 **government finance** shall mail the notice required by subsection ~~(d)~~
 16 **(f)** within ninety (90) days after the ~~board department of local~~
 17 **government finance** receives the report for a parcel from the
 18 professional appraisal firm. **This subsection expires June 30, 2004.**

19 ~~(g)~~ **(i)** The **qualifying county shall pay the cost of a any** contract
 20 under this section ~~shall be paid without appropriation~~ from the
 21 **county** property reassessment fund. ~~of the qualifying county~~
 22 ~~established under IC 6-1.1-4-27. However, the maximum amount~~
 23 **that the qualifying county is obligated to pay for all contracts**
 24 **entered into under subsection (e) for the general reassessment of**
 25 **real property in the qualifying county to be completed for the**
 26 **March 1, 2002, assessment date is twenty-five million one hundred**
 27 **thousand dollars (\$25,100,000). A contractor may periodically**
 28 **submit bills for partial payment of work performed under a**
 29 **contract. Notwithstanding any other law, a contractor is entitled to**
 30 **payment under this subsection for work performed under a**
 31 **contract if the contractor:**

32 **(1) submits, in the form required by IC 5-11-10-1, a fully**
 33 **itemized, certified bill for the costs under the contract of the**
 34 **work performed to the department of local government**
 35 **finance for review;**

36 **(2) obtains from the department of local government finance:**

37 **(A) approval of the form and amount of the bill; and**

38 **(B) a certification that the billed goods and services billed**

- 1 for payment have been received and comply with the
2 contract; and
- 3 **(3) files with the county auditor of the qualifying county:**
- 4 **(A) a duplicate copy of the bill submitted to the**
5 **department of local government finance;**
- 6 **(B) the proof of approval provided by the department of**
7 **local government finance of the form and amount of the**
8 **bill that was approved; and**
- 9 **(C) the certification provided by the department of local**
10 **government finance that indicates that the goods and**
11 **services billed for payment have been received and comply**
12 **with the contract.**

13 **An approval and a certification under subdivision (2) shall be**
14 **treated as conclusively resolving the merits of the claim. Upon**
15 **receipt of the documentation described in subdivision (3), the**
16 **county auditor shall immediately certify that the bill is true and**
17 **correct without further audit, publish the claim as required by**
18 **IC 36-2-6-3, and submit the claim to the county executive of the**
19 **qualifying county. The county executive shall allow the claim, in**
20 **full, as approved by the department of local government finance**
21 **without further examination of the merits of the claim in a regular**
22 **or special session that is held not less than three (3) days and not**
23 **more than seven (7) days after completion of the publication**
24 **requirements under IC 36-2-6-3. Upon allowance of the claim by**
25 **the county executive, the county auditor shall immediately issue a**
26 **warrant or check for the full amount of the claim approved by the**
27 **department of local government finance. Compliance with this**
28 **subsection shall be treated as compliance with section 28.5 of this**
29 **chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination**
30 **and payment of a claim in compliance with this subsection is not**
31 **subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9**
32 **do not apply to a claim under this subsection. IC 5-11-10-1.6(d)**
33 **applies to a fiscal officer who pays a claim in compliance with this**
34 **subsection. This subsection expires June 30, 2004.**

35 ~~(h)~~ **(j) Notwithstanding IC 4-13-2, a period of seven (7) days is**
36 **permitted for each of the following to review and act under IC 4-13-2**
37 **on a contract of the state board of tax commissioners (before January**
38 **1, 2002) and the department of local government finance (after**

1 **December 31, 2001)** under this section:

2 (1) The commissioner of the **Indiana** department of
3 administration.

4 (2) The director of the budget agency.

5 (3) The attorney general.

6 (4) The governor.

7 (†) **(k)** With respect to a general reassessment of real property to be
8 completed under ~~IC 6-1.1-4-4~~ **section 4 of this chapter** for an
9 assessment date after the March 1, 2002, assessment date, the **state**
10 **board department of tax commissioners local government finance**
11 shall initiate a review with respect to the real property in a qualifying
12 county or a township in a qualifying county, or a portion of the real
13 property in a qualifying county or a township in a qualifying county.
14 The **state board department of local government finance** may
15 contract to have the review performed by an appraisal firm. The **state**
16 **board department of local government finance** or its contractor shall
17 determine for the real property under consideration and for the
18 qualifying county or township the variance between:

19 (1) the total assessed valuation of the real property within the
20 qualifying county or township; and

21 (2) the total assessed valuation that would result if the real
22 property within the qualifying county or township were valued in
23 the manner provided by law.

24 (†) **(l)** If:

25 (1) the variance determined under subsection (†) **(k)** exceeds ten
26 percent (10%); and

27 (2) the **state board department of tax commissioners local**
28 **government finance** determines after holding hearings on the
29 matter that a special reassessment should be conducted;

30 the **state board department of local government finance** shall
31 contract for a special reassessment by an appraisal firm to correct the
32 valuation of the property.

33 (†) **(m)** If the variance determined under subsection (†) **(k)** is ten
34 percent (10%) or less, the **state board department of tax**
35 **commissioners local government finance** shall determine whether to
36 correct the valuation of the property under:

37 (1) sections 9 and 10 of this chapter; or

38 (2) IC 6-1.1-14-10 and IC 6-1.1-14-11.

1 (†) **(n)** The ~~state board~~ **department** of ~~tax commissioners~~ **local**
 2 **government finance** shall give notice by mail to a taxpayer of a
 3 hearing concerning the ~~state board's~~ **intent of the department of local**
 4 **government finance** to cause the taxpayer's property to be reassessed
 5 under this section. The time fixed for the hearing must be at least ten
 6 (10) days after the day the notice is mailed. The ~~state board~~
 7 **department of local government finance** may conduct a single
 8 hearing under this section with respect to multiple properties. The
 9 notice must state:

- 10 (1) the time of the hearing;
 11 (2) the location of the hearing; and
 12 (3) that the purpose of the hearing is to hear taxpayers' comments
 13 and objections with respect to the ~~state board's~~ **intent of the**
 14 **department of local government finance** to reassess property
 15 under this chapter.

16 (‡) **(o)** If the ~~state board~~ **department** of ~~tax commissioners~~ **local**
 17 **government finance** determines after the hearing that property should
 18 be reassessed under this section, the ~~state board~~ **department of local**
 19 **government finance** shall:

- 20 (1) cause the property to be reassessed under this section;
 21 (2) mail a certified notice of its final determination to the county
 22 auditor of the qualifying county in which the property is located;
 23 and
 24 (3) notify the taxpayer by mail of its final determination.

25 (¶) **(p)** A reassessment may be made under this section only if the
 26 notice of the final determination under subsection (†) **(n)** is given to the
 27 taxpayer within the same period prescribed in IC 6-1.1-9-3 or
 28 IC 6-1.1-9-4.

29 (⊕) **(q)** If the ~~state board~~ **department** of ~~tax commissioners~~ **local**
 30 **government finance** contracts for a special reassessment of property
 31 under this section, the ~~state board shall forward the bill for services of~~
 32 ~~the contractor to the county auditor, and the~~ **qualifying** county shall
 33 pay the bill, **without appropriation**, from the county **property**
 34 reassessment fund. **A contractor may periodically submit bills for**
 35 **partial payment of work performed under a contract.**
 36 **Notwithstanding any other law, a contractor is entitled to payment**
 37 **under this subsection for work performed under a contract if the**
 38 **contractor:**

- 1 **(1) submits, in the form required by IC 5-11-10-1, a fully**
- 2 **itemized, certified bill for the costs under the contract of the**
- 3 **work performed to the department of local government**
- 4 **finance for review;**
- 5 **(2) obtains from the department of local government finance:**
- 6 **(A) approval of the form and amount of the bill; and**
- 7 **(B) a certification that the billed goods and services billed**
- 8 **for payment have been received and comply with the**
- 9 **contract; and**
- 10 **(3) files with the county auditor of the qualifying county:**
- 11 **(A) a duplicate copy of the bill submitted to the**
- 12 **department of local government finance;**
- 13 **(B) the proof of approval provided by the department of**
- 14 **local government finance of the form and amount of the**
- 15 **bill that was approved; and**
- 16 **(C) the certification provided by the department of local**
- 17 **government finance that indicates that the goods and**
- 18 **services billed for payment have been received and comply**
- 19 **with the contract.**

20 **An approval and a certification under subdivision (2) shall be**

21 **treated as conclusively resolving the merits of the claim. Upon**

22 **receipt of the documentation described in subdivision (3), the**

23 **county auditor shall immediately certify that the bill is true and**

24 **correct without further audit, publish the claim as required by**

25 **IC 36-2-6-3, and submit the claim to the county executive of the**

26 **qualifying county. The county executive shall allow the claim, in**

27 **full, as approved by the department of local government finance**

28 **without further examination of the merits of the claim in a regular**

29 **or special session that is held not less than three (3) days and not**

30 **more than seven (7) days after completion of the publication**

31 **requirements under IC 36-2-6-3. Upon allowance of the claim by**

32 **the county executive, the county auditor shall immediately issue a**

33 **warrant or check for the full amount of the claim approved by the**

34 **department of local government finance. Compliance with this**

35 **subsection shall be treated as compliance with section 28.5 of this**

36 **chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination**

37 **and payment of a claim in compliance with this subsection is not**

38 **subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9**

1 **do not apply to a claim under this subsection. IC 5-11-10-1.6(d)**
2 **applies to a fiscal officer who pays a claim in compliance with this**
3 **subsection.**

4 ~~(p)~~ (r) A township assessor in a qualifying county or a county
5 assessor of a qualifying county shall provide information requested in
6 writing by the ~~state board~~ **department** of ~~tax commissioners~~ **local**
7 **government finance** or the ~~state board's~~ **department's** contractor
8 under this section not later than seven (7) days after receipt of the
9 written request from the ~~state board~~ **department** or the contractor. If
10 a township assessor or county assessor fails to provide the requested
11 information within the time permitted in this subsection, the ~~state board~~
12 **department** of ~~tax commissioners~~ **local government finance** or the
13 ~~state board's~~ **department's** contractor may seek an order of the tax
14 court under IC 33-3-5-2.5 for production of the information.

15 ~~(q)~~ (s) The provisions of this section are severable in the manner
16 provided in IC 1-1-1-8(b).

17 **(t) A contract entered into under subsection (e) is subject to this**
18 **subsection. A contractor shall use the land values determined for**
19 **the qualifying county under section 13.6 of this chapter to the**
20 **extent that the contractor finds that the land values reflect the true**
21 **tax value of land, as determined under the statutes and the rules of**
22 **the department of local government finance. If the contractor finds**
23 **that the land values determined for the qualifying county under**
24 **section 13.6 of this chapter do not reflect the true tax value of land,**
25 **the contractor shall determine land values for the qualifying**
26 **county that reflect the true tax value of land, as determined under**
27 **the statutes and the rules of the department of local government**
28 **finance. The land values determined by the contractor shall be**
29 **used to the same extent as if the land values had been determined**
30 **under section 13.6 of this chapter. The contractor shall notify the**
31 **county assessor and the township assessors in the qualifying county**
32 **of the land values as modified under this subsection. This**
33 **subsection expires June 30, 2004.**

34 **(u) A contractor acting under a contract under subsection (e)**
35 **may notify the department of local government finance if:**

- 36 **(1) the county auditor fails to:**
 - 37 **(A) certify the bill;**
 - 38 **(B) publish the claim;**

- 1 **(C) submit the claim to the county executive; or**
 2 **(D) issue a warrant or check;**
 3 **as required in subsection (i) at the first opportunity the county**
 4 **auditor is legally permitted to do so;**
 5 **(2) the county executive fails to allow the claim as required in**
 6 **subsection (i) at the first opportunity the county executive is**
 7 **legally permitted to do so; or**
 8 **(3) a person or entity authorized to act on behalf of the county**
 9 **takes or fails to take an action, including failure to request an**
 10 **appropriation, and that action or failure to act delays or halts**
 11 **the process under this section for payment of a bill submitted**
 12 **by a contractor under subsection (i).**

13 **This subsection expires June 30, 2004.**

14 **(v) The department of local government finance, upon receiving**
 15 **notice under subsection (u) from the contractor, shall:**

- 16 **(1) verify the accuracy of the contractor's assertion in the**
 17 **notice that:**
 18 **(A) a failure occurred as described in subsection (b)(1) or**
 19 **(b)(2); or**
 20 **(B) a person or entity acted or failed to act as described in**
 21 **subsection (b)(3); and**
 22 **(2) provide to the treasurer of state the department of local**
 23 **government finance's approval under subsection (i)(2)(A) of**
 24 **the bill with respect to which the contractor gave notice under**
 25 **subsection (u).**

26 **This subsection expires June 30, 2004.**

27 **(w) Upon receipt of the approval of the department of local**
 28 **government finance under subsection (v), the treasurer of state**
 29 **shall pay the contractor the amount of the bill approved by the**
 30 **department of local government finance from money in the**
 31 **possession of the state that would otherwise be available for**
 32 **distribution to the qualifying county, including distributions from**
 33 **the property tax replacement fund or distributions of admissions**
 34 **taxes or wagering taxes. This subsection expires June 30, 2004.**

35 **(x) The treasurer of state shall withhold from the part**
 36 **attributable to the county of the next distribution to the county**
 37 **treasurer under IC 4-33-12-6, IC 4-33-13-5, IC 6-1.1-21-4(b), or**
 38 **another law the amount of any payment made by the treasurer of**

1 state to the contractor under subsection (w). Money shall be
2 deducted first from money payable under IC 6-1.1-21.4(b) and then
3 from all other funds payable to the qualifying county. This
4 subsection expires June 30, 2004.

5 (y) Compliance with subsections (u) through (x) shall be treated
6 as compliance with IC 5-11-10. This subsection expires June 30,
7 2004.

8 (z) IC 5-11-10-1.6(d) applies to the treasurer of state with
9 respect to the payment made in compliance with subsections (u)
10 through (x). This subsection and subsections (u) through (y) shall
11 be interpreted liberally so that the state shall, to the extent legally
12 valid, ensure that the contractual obligations of a county under this
13 section are paid. Nothing in this subsection or subsections (u)
14 through (y) shall be construed to create a debt of the state. This
15 subsection expires June 30, 2004.

16 SECTION 6. IC 6-1.1-5-9.1 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.1. (a) Except:

18 (1) as provided in subsection (b); and

19 (2) for civil townships described in section 9 of this chapter;

20 and notwithstanding the provisions of sections 1 through 8 of this
21 chapter, for all other civil townships having a population of thirty-five
22 thousand (35,000) or more, for a civil township that falls below a
23 population of thirty-five thousand (35,000) at a federal decennial
24 census that takes effect after December 31, 2001, and for all other
25 civil townships in which a city of the second class is located, the
26 township assessor shall make the real property lists and the plats
27 described in sections 1 through 8 of this chapter.

28 (b) In a civil township that attains a population of thirty-five
29 thousand (35,000) or more at a federal decennial census that takes
30 effect after December 31, 2001, the township assessor shall make
31 the real property lists and the plats described in sections 1 through
32 8 of this chapter only if the county auditor and the township
33 assessor agree to transfer the duty from the county auditor to the
34 township assessor.

35 (c) With respect to these townships in which the township assessor
36 makes the real property lists and the plats described in sections 1
37 through 8 of this chapter, the county auditor shall, upon completing
38 the tax duplicate, return the real property lists to the township assessor

1 for the continuation of the lists by the assessor. If land located in one
2 (1) of these townships is platted, the plat shall be presented to the
3 township assessor instead of the county auditor, before it is recorded.
4 The township assessor shall then enter the lots or parcels described in
5 the plat on the tax lists in lieu of the land included in the plat.

6 SECTION 7. IC 6-1.1-5.5-4, AS AMENDED BY P.L.198-2001,
7 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2002]: Sec. 4. (a) A person filing a sales disclosure form
9 under this chapter shall pay a fee of five dollars (\$5) to the county
10 auditor.

11 (b) Eighty percent (80%) of the revenue **collected under this**
12 **section and section 12 of this chapter** shall be deposited in the county
13 sales disclosure fund established under section 4.5 of this chapter.
14 Twenty percent (20%) of the revenue shall be transferred to the state
15 treasurer for deposit in the state assessment training fund established
16 under section 4.7 of this chapter.

17 SECTION 8. IC 6-1.1-5.5-10 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. (a) A person who
19 knowingly and intentionally:

- 20 (1) falsifies the value of transferred real property; or
- 21 (2) omits or falsifies any information required to be provided in
- 22 the sales disclosure form;
- 23 commits a Class A ~~infraction~~: **misdemeanor**.

- 24 (b) A public official who knowingly and intentionally accepts:
 - 25 (1) a sales disclosure document for filing that:
 - 26 (A) falsifies the value of transferred real property; or
 - 27 (B) omits or falsifies any information required to be provided
 - 28 in the sales disclosure form; or
 - 29 (2) a conveyance document for recording in violation of section
 - 30 6 of this chapter;
 - 31 commits a Class A infraction.

32 SECTION 9. IC 6-1.1-5.5-12 IS ADDED TO THE INDIANA
33 CODE AS A NEW SECTION TO READ AS FOLLOWS
34 [EFFECTIVE JULY 1, 2002]: **Sec. 12. (a) A party to a conveyance**
35 **who:**

- 36 (1) **is required to file a sales disclosure form under this**
- 37 **chapter; and**
- 38 (2) **fails to file a sales disclosure form at the time and in the**

1 manner required by this chapter;
2 is subject to a penalty in the amount determined under subsection
3 (b).

4 (b) The amount of the penalty under subsection (a) is the greater
5 of:

- 6 (1) twenty-five dollars (\$25); or
- 7 (2) twenty five thousandths of one percent (.025%) of the sale
8 price of the real property transferred under the conveyance
9 document.

10 (c) The county assessor shall:

- 11 (1) determine the penalty imposed under this section;
- 12 (2) assess the penalty to the party to a conveyance;
- 13 (3) notify the party to the conveyance that the penalty is
14 payable not later than thirty (30) days after notice of the
15 assessment;
- 16 (4) collect the penalty;
- 17 (5) deposit penalty collections as required under section 4 of
18 this chapter; and
- 19 (6) notify the county prosecuting attorney of delinquent
20 payments.

21 (d) The county prosecuting attorney shall initiate an action to
22 recover a delinquent penalty under this section. In a successful
23 action against a person for a delinquent penalty, the court shall
24 award the county prosecuting attorney reasonable attorney's fees.

25 SECTION 10. IC 6-1.1-8-30, AS AMENDED BY P.L.198-2001,
26 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JANUARY 1, 2002 (RETROACTIVE)]: Sec. 30. If a public utility
28 company files its objections to the department of local government
29 finance's tentative assessment of the company's distributable property
30 in the manner prescribed in section 28 of this chapter, the company
31 may initiate an appeal of the department's final assessment of that
32 property by filing a petition with the Indiana board not more than
33 ~~twenty (20)~~ **forty-five (45)** days after the department gives the public
34 utility notice of the final determination. The public utility may petition
35 for judicial review of the Indiana board's final determination to the tax
36 court under IC 4-21.5-5. However, the company must:

- 37 (1) **file a verified** petition for judicial review; and
- 38 (2) mail to the county auditor of each county in which the public

1 utility company's distributable property is located:

2 (A) a notice that the complaint was filed; and

3 (B) instructions for obtaining a copy of the complaint;

4 within ~~twenty (20)~~ **forty-five (45)** days after the date of the notice of
5 the Indiana board's final determination.

6 SECTION 11. IC 6-1.1-10-21, AS AMENDED BY P.L.198-2001,
7 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 UPON PASSAGE]: Sec. 21. (a) The following tangible property is
9 exempt from property taxation if it is owned by, or held in trust for the
10 use of, a church or religious society:

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

12 (2) Buildings that are used as parsonages.

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

15 (4) The tract of land, not exceeding ~~fifteen (15)~~ **fifty (50)** acres,
16 upon which a building described in this section is situated.

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

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

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

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

29 (c) Property referred to in this section shall be assessed to the extent
30 required under IC 6-1.1-11-9.

31 SECTION 12. IC 6-1.1-11-3, AS AMENDED BY P.L.198-2001,
32 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JULY 1, 2002]: Sec. 3. (a) An owner of tangible property who wishes
34 to obtain an exemption from property taxation shall file a certified
35 application in duplicate with the ~~auditor~~ **county assessor** of the county
36 in which the property that is the subject of the exemption is located.
37 The application must be filed annually on or before May 15 on forms
38 prescribed by the department of local government finance. ~~The county~~

1 ~~auditor shall immediately forward a copy of the certified application to~~
2 ~~the county assessor.~~ Except as provided in sections 1, 3.5, and 4 of this
3 chapter, the application applies only for the taxes imposed for the year
4 for which the application is filed.

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

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

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

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

14 (3) The grounds for claiming the exemption.

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

16 (5) Any additional information which the department of local
17 government finance may require.

18 (d) A person who signs an exemption application shall attest in
19 writing and under penalties of perjury that, to the best of the person's
20 knowledge and belief, a predominant part of the property claimed to be
21 exempt is not being used or occupied in connection with a trade or
22 business that is not substantially related to the exercise or performance
23 of the organization's exempt purpose.

24 SECTION 13. IC 6-1.1-15-1, AS AMENDED BY P.L.198-2001,
25 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 UPON PASSAGE]: Sec. 1. (a) A taxpayer may obtain a review by the
27 county property tax assessment board of appeals of a county or
28 township official's action with respect to the assessment of the
29 taxpayer's tangible property if the official's action requires the giving
30 of notice to the taxpayer. The taxpayer and county or township official
31 whose original determination is under review are parties to the
32 proceeding before the county property tax assessment board of appeals.
33 At the time that notice is given to the taxpayer, the taxpayer shall also
34 be informed in writing of:

35 (1) the opportunity for review under this section; and

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

38 (b) In order to appeal a current assessment and have a change in the

1 assessment effective for the most recent assessment date, the taxpayer
2 must file a petition with the assessor of the county in which the action
3 is taken:

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

6 (2) May 10 of that year;

7 whichever is later. The county assessor shall notify the county auditor
8 that the assessment is under appeal.

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

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

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

13 becomes effective for the next assessment date.

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

21 (e) The department of local government finance shall prescribe the
22 form of the petition for review of an assessment determination by a
23 township assessor. The department shall issue instructions for
24 completion of the form. The form and the instructions must be clear,
25 simple, and understandable to the average individual. An appeal of
26 such a determination must be made on the form prescribed by the
27 department. The form must require the petitioner to specify the
28 following:

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

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

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

34 (f) The department of local government finance shall prescribe a
35 form for a response by the township assessor to the petition for review
36 of an assessment determination. The department shall issue instructions
37 for completion of the form. The form must require the township
38 assessor to indicate:

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

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

5 (g) Immediately upon receipt of a timely filed petition on the form
6 prescribed under subsection (e), the county assessor shall forward a
7 copy of the petition to the township assessor who made the challenged
8 assessment. The township assessor shall, within thirty (30) days after
9 the receipt of the petition, attempt to hold a preliminary conference
10 with the petitioner and resolve as many issues as possible. Within ten
11 (10) days after the conference, the township assessor shall forward to
12 the county auditor and county assessor a completed response to the
13 petition on the form prescribed under subsection (f). The county
14 assessor shall immediately forward a copy of the response form to the
15 petitioner and the county property tax assessment board of appeals. **If**
16 **after the conference there are no items listed in the petition on**
17 **which there is disagreement, the property tax assessment board of**
18 **appeals may hold a hearing within ninety (90) days after the filing**
19 **of the petition to review the agreement reached by the township**
20 **assessor and the petitioner and to determine whether to change the**
21 **assessment that would result from that agreement.** If after the
22 conference there are items listed in the petition on which there is
23 disagreement, the property tax assessment board of appeals shall hold
24 a hearing within ninety (90) days of the filing of the petition on those
25 items of disagreement, except as provided in ~~subsection~~ **subsections**
26 **(h) and (i).** The taxpayer may present the taxpayer's reasons for
27 disagreement with the assessment. **If the township assessor or county**
28 **assessor for the county disagrees with the assessment, the township**
29 **assessor or county assessor** must present the basis for the assessment
30 decision on ~~these the~~ **items of disagreement** to the board of appeals at
31 the hearing and the reasons the petitioner's appeal should be denied on
32 those items. The board of appeals shall have a written record of the
33 hearing and prepare a written statement of findings and a decision on
34 each item within sixty (60) days of the hearing, except as provided in
35 ~~subsection~~ **subsections (h) and (i).** If the township assessor does not
36 attempt to hold a preliminary conference, the board shall accept the
37 appeal of the petitioner at the hearing.

38 (h) This subsection applies to a county having a population of more

1 than three hundred thousand (300,000). In the case of a petition filed
 2 after December 31, 2000, the county property tax assessment board of
 3 appeals shall:

4 (1) hold its hearing within one hundred eighty (180) days instead
 5 of ninety (90) days; and

6 (2) have a written record of the hearing and prepare a written
 7 statement of findings and a decision on each item within one
 8 hundred twenty (120) days after the hearing.

9 (i) **This subsection applies to a county having a population of**
 10 **three hundred thousand (300,000) or less. With respect to an**
 11 **appeal of a real property assessment that takes effect on the**
 12 **assessment date on which a general reassessment of real property**
 13 **takes effect under IC 6-1.1-4-4, the county property tax assessment**
 14 **board of appeals shall:**

15 (1) **hold its hearing within one hundred eighty (180) days**
 16 **instead of ninety (90) days; and**

17 (2) **have a written record of the hearing and prepare a written**
 18 **statement of findings and a decision on each item within one**
 19 **hundred twenty (120) days after the hearing.**

20 (j) The county property tax assessment board of appeals:

21 (1) may not require a taxpayer that files a petition for review
 22 under this section to file documentary evidence or summaries of
 23 statements of testimonial evidence before the hearing required
 24 under subsection (g); and

25 (2) may require the parties to the appeal to file not more than ten
 26 (10) days before the date of the hearing required under subsection
 27 (g) lists of witnesses and exhibits to be introduced at the hearing.

28 SECTION 14. IC 6-1.1-15-5, AS AMENDED BY P.L.198-2001,
 29 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 UPON PASSAGE]: Sec. 5. (a) Within fifteen (15) days after the
 31 Indiana board gives notice of its final determination under section 4 of
 32 this chapter to the party or the maximum allowable time for the
 33 issuance of a final determination by the Indiana board under section 4
 34 of this chapter expires, a party to the proceeding may request a
 35 rehearing before the Indiana board. The Indiana board may conduct a
 36 rehearing and affirm or modify its final determination, giving the same
 37 notices after the rehearing as are required by section 4 of this chapter.
 38 The Indiana board has fifteen (15) days after receiving a petition for a

1 rehearing to determine whether to grant a rehearing. Failure to grant a
 2 rehearing within fifteen (15) days after receiving the petition shall be
 3 treated as a final determination to deny the petition. A petition for a
 4 rehearing does not toll the time in which to file a petition for judicial
 5 review unless the petition for rehearing is granted. If the Indiana board
 6 determines to rehear a final determination, the Indiana board:

7 (1) may conduct the additional hearings that the Indiana board
 8 determines necessary or review the written record without
 9 additional hearings; and

10 (2) shall issue a final determination within ninety (90) days after
 11 notifying the parties that the Indiana board will rehear the final
 12 determination.

13 Failure of the Indiana board to make a final determination within the
 14 time allowed under subdivision (2) shall be treated as a final
 15 determination affirming the original decision of the Indiana board.

16 (b) A person may petition for judicial review of the final
 17 determination of the Indiana board regarding the assessment of that
 18 person's tangible property. The action shall be taken to the tax court
 19 under IC 4-21.5-5. Petitions for judicial review may be consolidated at
 20 the request of the appellants if it can be done in the interest of justice.
 21 The property tax assessment board of appeals that made the
 22 determination under appeal under this section may, with the approval
 23 of the county executive, file an amicus curiae brief in the review
 24 proceeding under this section. The expenses incurred by the property
 25 tax assessment board of appeals in filing the amicus curiae brief shall
 26 be paid from the reassessment fund under IC 6-1.1-4-27. In addition,
 27 the executive of a taxing unit may file an amicus curiae brief in the
 28 review proceeding under this section if the property whose assessment
 29 is under appeal is subject to assessment by that taxing unit. **The**
 30 **department of local government finance may intervene in an action**
 31 **taken under this subsection if the interpretation of a rule of the**
 32 **department is at issue in the action. A:**

33 (1) township assessor, county assessor, member of a county
 34 property tax assessment board of appeals, or county property tax
 35 assessment board of appeals that made the original assessment
 36 determination under appeal under this section; or

37 (2) county auditor who made the original enterprise zone
 38 inventory credit determination under appeal under IC 6-1.1-20.8;

1 is a party to the review under this section to defend the determination.

2 (c) To initiate a proceeding for judicial review under this section, a
3 person must take the action required by subsection (b) within:

4 (1) forty-five (45) days after the Indiana board gives the person
5 notice of its final determination, unless a rehearing is conducted
6 under subsection (a); or

7 (2) thirty (30) days after the Indiana board gives the person notice
8 under subsection (a) of its final determination, if a rehearing is
9 conducted under subsection (a) or the maximum time elapses for
10 the Indiana board to make a determination under this section.

11 (d) The failure of the Indiana board to conduct a hearing within the
12 period prescribed in section 4(f) or 4(g) of this chapter does not
13 constitute notice to the person of an Indiana board final determination.

14 (e) The county executive may petition for judicial review to the tax
15 court in the manner prescribed in this section upon request by the
16 county assessor or elected township assessor. If the county executive
17 determines upon a request under this subsection to not appeal to the tax
18 court, the entity described in subsection (b) that made the original
19 determination under appeal under this section may take an appeal to the
20 tax court in the manner prescribed in this section using funds from that
21 entity's budget.

22 SECTION 15. IC 6-1.1-15-8, AS AMENDED BY P.L.198-2001,
23 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 UPON PASSAGE]: Sec. 8. (a) If a final determination by the Indiana
25 board regarding the assessment of any tangible property is vacated, set
26 aside, or adjudged null and void under the decision of the tax court
27 under IC 4-21.5-5, the matter of the assessment of the property shall be
28 remanded to the Indiana board for reassessment and further
29 proceedings as specified in the decision of the tax court with
30 instructions to the Indiana board to refer the matter to the:

31 (1) department of local government finance with respect to an
32 appeal of a determination made by the department; or

33 (2) county property tax assessment board of appeals with
34 respect to an appeal of a determination made by the county
35 board;

36 to make another assessment. Upon remand, the Indiana board may
37 take action only on those issues specified in the decision of the tax
38 court.

1 (b) ~~The Indiana board~~ **department of local government finance or**
 2 **the county property tax assessment board of appeals** shall take
 3 action on a case ~~remanded referred~~ to it by the ~~tax court~~ **Indiana**
 4 **board under subsection (a)** not later than ninety (90) days after the
 5 date the ~~decision of the tax court is rendered;~~ **referral is made** unless
 6 an appeal of the final determination of the Indiana board is initiated
 7 under IC 4-21.5-5-16. The ~~Indiana board~~ **department of local**
 8 **government finance or the county property tax assessment board**
 9 **of appeals** may petition the ~~tax court~~ **Indiana board** at any time for an
 10 extension of the ninety (90) day period. An extension shall be granted
 11 upon a showing of reasonable cause.

12 (c) The taxpayer in a case remanded under subsection (a) may
 13 petition the tax court for an order requiring the ~~Indiana board~~
 14 **department of local government finance or the county property tax**
 15 **assessment board of appeals** to show cause why action has not been
 16 taken pursuant to the ~~tax court's decision~~ **Indiana board's referral**
 17 **under subsection (a)** if:

- 18 (1) at least ninety (90) days have elapsed since the ~~tax court's~~
 19 ~~decision referral~~ **was rendered; made;**
 20 (2) the ~~Indiana board~~ **department of local government finance**
 21 **or the county property tax assessment board of appeals** has
 22 not taken action on the issues specified in the tax court's decision;
 23 and
 24 (3) an appeal of the tax court's decision has not been filed.

25 (d) If a case remanded under subsection (a) is appealed under
 26 IC 4-21.5-5-16, the ninety (90) day period provided in subsection (b)
 27 is tolled until the appeal is concluded.

28 SECTION 16. IC 6-1.1-15-9, AS AMENDED BY P.L.198-2001,
 29 SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 UPON PASSAGE]: Sec. 9. (a) If the assessment of tangible property
 31 is corrected by the ~~Indiana board~~ **department of local government**
 32 **finance or the county property tax assessment board of appeals**
 33 under section 8 of this chapter, the owner of the property has a right to
 34 appeal the ~~Indiana board's~~ final determination of the corrected
 35 assessment ~~In a case meeting the requirements of section 5(c)(1) or~~
 36 ~~5(c)(2) of this chapter;~~ **to the Indiana board.** The county executive
 37 also has a right to appeal the ~~Indiana board's~~ final determination of the
 38 reassessment **by the department of local government finance or the**

1 **county property tax assessment board of appeals** but only upon
 2 request by the county assessor.

3 (b) An appeal under this section must be initiated in the manner
 4 prescribed in section **5 3** of this chapter **or IC 6-1.5-5**."

5 Page 13, between lines 2 and 3, begin a new paragraph and insert:

6 "SECTION 22. IC 6-1.1-26-2, AS AMENDED BY P.L.198-2001,
 7 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2002]: Sec. 2. (a) The county auditor shall forward a claim for
 9 refund filed under section 1 of this chapter to the department of local
 10 government finance for review by the department if:

11 (1) the claim is for the refund of taxes paid on an assessment
 12 made or determined by the state board of tax commissioners
 13 (before the board was abolished) or the department of local
 14 government finance; and

15 (2) the claim is based upon the grounds specified in
 16 IC 6-1.1-26-1(4)(ii) or IC 6-1.1-26-1(4)(iii).

17 (b) The department of local government finance shall review each
 18 refund claim forwarded to it under this section. The department shall
 19 certify its approval or disapproval on the claim and shall return the
 20 claim to the county auditor.

21 (c) Before the department of local government finance disapproves
 22 a refund claim that is forwarded to it under this section, the department
 23 shall notify the claimant of its intention to disapprove the claim and of
 24 the time and place fixed for a hearing on the claim. The department
 25 shall hold the hearing within thirty (30) days after the date of the
 26 notice. The claimant has a right to be heard at the hearing. After the
 27 hearing, the department shall give the claimant notice of the
 28 department's final determination on the claim.

29 (d) If a person desires to initiate an appeal of the final determination
 30 of the department of local government finance to disapprove a claim
 31 under subsection (c), the person shall file a petition for review with the
 32 **Indiana board appropriate county assessor** not more than forty-five
 33 (45) days after the department gives the person notice of the final
 34 determination.

35 (e) If a person desires to initiate a proceeding for judicial review of
 36 the Indiana board's final determination under subsection (d), the person
 37 must petition for judicial review under IC 4-21.5-5 not more than
 38 forty-five (45) days after the Indiana board gives the person notice of

1 the final determination.

2 SECTION 17. IC 6-1.1-26-5, AS AMENDED BY P.L.198-2001,
 3 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 JANUARY 1, 2002 (RETROACTIVE)]: Sec. 5. (a) When a claim for
 5 refund filed under section 1 of this chapter is allowed either by the
 6 county board of commissioners, the department of local government
 7 finance, the Indiana board, or the Indiana tax court on appeal, the
 8 claimant is entitled to a refund. The amount of the refund shall equal
 9 the amount of the claim so allowed plus, with respect to claims for
 10 refund filed after ~~June 30~~, **December 31**, 2001, interest at four percent
 11 (4%) from the date on which the taxes were paid or payable, whichever
 12 is later, to the date of the refund. The county auditor shall, without an
 13 appropriation being required, issue a warrant to the claimant payable
 14 from the county general fund for the amount due the claimant under
 15 this section.

16 (b) In the June or December settlement and apportionment of taxes,
 17 or both the June and December settlement and apportionment of taxes,
 18 immediately following a refund made under this section the county
 19 auditor shall deduct the amount refunded from the gross tax collections
 20 of the taxing units for which the refunded taxes were originally paid
 21 and shall pay the amount so deducted into the general fund of the
 22 county. However, the county auditor shall make the deductions and
 23 payments required by this subsection not later than the December
 24 settlement and apportionment.

25 SECTION 18. IC 6-1.1-28-1, AS AMENDED BY P.L.198-2001,
 26 SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 UPON PASSAGE]: Sec. 1. (a) Each county shall have a county
 28 property tax assessment board of appeals composed of individuals who
 29 are at least eighteen (18) years of age and knowledgeable in the
 30 valuation of property. In addition to the county assessor, only one (1)
 31 other individual who is an officer or employee of a county or township
 32 may serve on the board of appeals in the county in which the individual
 33 is an officer or employee. The fiscal body of the county shall appoint
 34 two (2) individuals to the board. At least one (1) of the members
 35 appointed by the county fiscal body must be a certified level two
 36 assessor-appraiser. The board of commissioners of the county shall
 37 appoint two (2) freehold members so that not more than three (3) of the
 38 five (5) members may be of the same political party and so that at least

1 three (3) of the five (5) members are residents of the county. At least
 2 one (1) of the members appointed by the board of county
 3 commissioners must be a certified level two assessor-appraiser.
 4 However, if the county assessor is a certified level ~~2~~ **Indiana two**
 5 assessor-appraiser, the board of county commissioners may waive the
 6 requirement in this subsection that one (1) of the freehold members
 7 appointed by the board of county commissioners must be a certified
 8 level ~~2~~ **Indiana two** assessor-appraiser. A person appointed to a
 9 property tax assessment board of appeals may serve on the property tax
 10 assessment board of appeals of another county at the same time. The
 11 members of the board shall elect a president. The employees of the
 12 county assessor shall provide administrative support to the property tax
 13 assessment board of appeals. The county assessor is a voting member
 14 of the property tax assessment board of appeals. The county assessor
 15 shall serve as secretary of the board. The secretary shall keep full and
 16 accurate minutes of the proceedings of the board. A majority of the
 17 board **that includes at least one (1) certified level two**
 18 **assessor-appraiser** constitutes a quorum for the transaction of
 19 business. Any question properly before the board may be decided by
 20 the agreement of a majority of the whole board.

21 (b) The county assessor, county fiscal body, and board of county
 22 commissioners may agree to waive the requirement in subsection (a)
 23 that not more than three (3) of the five (5) members of the county
 24 property tax assessment board of appeals may be of the same political
 25 party if it is necessary to waive the requirement due to the absence of
 26 certified level ~~2~~ **two** Indiana assessor-appraisers:

- 27 (1) who are willing to serve on the board; and
- 28 (2) whose political party membership status would satisfy the
 29 requirement in subsection (c)(1).

30 (c) If the board of county commissioners is not able to identify at
 31 least two (2) prospective freehold members of the county property tax
 32 assessment board of appeals who are:

- 33 (1) residents of the county;
- 34 (2) certified level ~~2~~ **two** Indiana assessor-appraisers; and
- 35 (3) willing to serve on the county property tax assessment board
 36 of appeals;

37 it is not necessary that at least three (3) of the five (5) members of the
 38 county property tax assessment board of appeals be residents of the

1 county.

2 SECTION 19. IC 6-1.1-30-1.1, AS ADDED BY P.L.198-2001,
3 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 1.1. (a) The department of local government
5 finance is established.

6 **(b) The governor shall appoint an individual with appropriate**
7 **training and experience as commissioner of the department. The**
8 **commissioner:**

- 9 **(1) is the executive and chief administrative officer of the**
10 **department;**
11 **(2) may delegate authority to appropriate department staff;**
12 **(3) serves at the pleasure of the governor; and**
13 **(4) is entitled to receive compensation in an amount set by the**
14 **governor, subject to approval by the budget agency.**

15 SECTION 20. IC 6-1.1-35-9 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) All information
17 ~~which that~~ is related to earnings, income, profits, losses, or
18 expenditures and ~~which that~~ is: **either**

- 19 **(1) given by a person to:**
20 **(A) an assessing official;**
21 **(B) a member of a county property tax assessment board of**
22 **appeals;**
23 **(C) a county assessor; ~~or one (1) of their employees~~**
24 **(D) an employee of a person referred to in clauses (A)**
25 **through (C); or**
26 **(E) an officer or employee of an entity that contracts with**
27 **a board of county commissioners under IC 6-1.1-36-12; or**
28 **(2) acquired by:**
29 **(A) an assessing official;**
30 **(B) a member of a county property tax assessment board of**
31 **appeals;**
32 **(C) a county assessor; ~~or one (1) of their employees~~**
33 **(D) an employee of a person referred to in clauses (A)**
34 **through (C); or**
35 **(E) an officer or employee of an entity that contracts with**
36 **a board of county commissioners under IC 6-1.1-36-12;**

37 in the performance of ~~his~~ **the person's** duties;
38 is confidential. The assessed valuation of tangible property is a matter

1 of public record and is thus not confidential. Confidential information
 2 may be disclosed only in a manner ~~which that~~ is authorized under
 3 subsection (b), (c), or (d).

4 (b) Confidential information may be disclosed to:

5 (1) an official or employee of:

6 ~~(1)~~ (A) this state or another state;

7 ~~(2)~~ (B) the United States; or

8 ~~(3)~~ (C) an agency or subdivision of this state, another state, or
 9 the United States;

10 if the information is required in the performance of ~~his the~~ official
 11 duties **of the official or employee; or**

12 **(2) an officer or employee of an entity that contracts with a**
 13 **board of county commissioners under IC 6-1.1-36-12 if the**
 14 **information is required in the performance of the official**
 15 **duties of the officer or employee.**

16 (c) The following state agencies, or their authorized representatives,
 17 shall have access to the confidential farm property records and
 18 schedules ~~which that~~ are on file in the office of a county or township
 19 assessor:

20 (1) the Indiana state board of animal health, in order to perform
 21 its duties concerning the discovery and eradication of farm animal
 22 diseases;

23 (2) the department of agricultural statistics of Purdue University,
 24 in order to perform its duties concerning the compilation and
 25 dissemination of agricultural statistics; and

26 (3) any other state agency ~~which that~~ needs the information in
 27 order to perform its duties.

28 (d) Confidential information may be disclosed during the course of
 29 a judicial proceeding in which the regularity of an assessment is
 30 questioned.

31 (e) Confidential information ~~which that~~ is disclosed to a person
 32 under subsection (b) or (c) of this section retains its confidential status.
 33 Thus, that person may disclose the information only in a manner ~~which~~
 34 **that** is authorized under subsection (b), (c), or (d). ~~of this section.~~

35 SECTION 21. IC 6-1.1-36-12 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 12. (a) ~~If~~ A board of
 37 county commissioners ~~enters~~ **may enter** into a contract for the
 38 discovery of property ~~which that~~ has been **undervalued or** omitted

1 from assessment. **The contract may require the contractor to:**

2 **(1) examine and verify the accuracy of personal property**
3 **returns filed by taxpayers with a township assessor of a**
4 **township in the county; and**

5 **(2) compare a return with the books of the taxpayer and with**
6 **personal property owned, held, possessed, controlled, or**
7 **occupied by the taxpayer.**

8 (b) The investigation and collection expenses ~~shall~~ **of a contract**
9 **under subsection (a) may** be deducted from the gross amount of taxes
10 collected on the **undervalued or** omitted property ~~which that~~ is so
11 discovered. The remainder of the taxes collected on the **undervalued**
12 **or** omitted property shall be distributed to the appropriate taxing units.

13 (c) **A board of county commissioners may not contract for**
14 **services under subsection (a) on a commission or percentage basis.**

15 SECTION 22. IC 6-3.5-1.1-2, AS AMENDED BY P.L.135-2001,
16 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 UPON PASSAGE]: Sec. 2. (a) The county council of any county in
18 which the county option income tax will not be in effect on July 1 of a
19 year under an ordinance adopted during a previous calendar year may
20 impose the county adjusted gross income tax on the adjusted gross
21 income of county taxpayers of its county effective July 1 of that year.

22 (b) Except as provided in section 2.5, 2.7, **2.8, 2.9, or** 3.5, **or 3.6** of
23 this chapter, the county adjusted gross income tax may be imposed at
24 a rate of one-half of one percent (0.5%), three-fourths of one percent
25 (0.75%), or one percent (1%) on the adjusted gross income of resident
26 county taxpayers of the county. Any county imposing the county
27 adjusted gross income tax must impose the tax on the nonresident
28 county taxpayers at a rate of one-fourth of one percent (0.25%) on their
29 adjusted gross income. If the county council elects to decrease the
30 county adjusted gross income tax, the county council may decrease the
31 county adjusted gross income tax rate in increments of one-tenth of one
32 percent (0.1%).

33 (c) To impose the county adjusted gross income tax, the county
34 council must, after January 1 but before April 1 of a year, adopt an
35 ordinance. The ordinance must substantially state the following:

36 "The _____ County Council imposes the county adjusted
37 gross income tax on the county taxpayers of _____ County.
38 The county adjusted gross income tax is imposed at a rate of

1 _____ percent (_____%) on the resident county taxpayers of the
2 county and one-fourth of one percent (0.25%) on the nonresident
3 county taxpayers of the county. This tax takes effect July 1 of this
4 year.".

5 (d) Any ordinance adopted under this section takes effect July 1 of
6 the year the ordinance is adopted.

7 (e) The auditor of a county shall record all votes taken on
8 ordinances presented for a vote under the authority of this section and
9 immediately send a certified copy of the results to the department by
10 certified mail.

11 (f) If the county adjusted gross income tax had previously been
12 adopted by a county under IC 6-3.5-1 (before its repeal on March 15,
13 1983) and that tax was in effect at the time of the enactment of this
14 chapter, then the county adjusted gross income tax continues in that
15 county at the rates in effect at the time of enactment until the rates are
16 modified or the tax is rescinded in the manner prescribed by this
17 chapter. If a county's adjusted gross income tax is continued under this
18 subsection, then the tax shall be treated as if it had been imposed under
19 this chapter and is subject to rescission or reduction as authorized in
20 this chapter.

21 SECTION 23. IC 6-3.5-1.1-2.8 IS ADDED TO THE INDIANA
22 CODE AS A NEW SECTION TO READ AS FOLLOWS
23 [EFFECTIVE UPON PASSAGE]: **Sec. 2.8. (a) This section applies**
24 **to a county having a population of more than one hundred**
25 **eighty-two thousand seven hundred ninety (182,790) but less than**
26 **two hundred thousand (200,000).**

27 (b) **The county council may, by ordinance, determine that**
28 **additional county adjusted gross income tax revenue is needed in**
29 **the county to:**

- 30 (1) **finance, construct, acquire, improve, renovate, or equip:**
31 (A) **jail facilities;**
32 (B) **juvenile court, detention, and probation facilities;**
33 (C) **other criminal justice facilities; and**
34 (D) **related buildings and parking facilities;**
35 **located in the county, including costs related to the demolition**
36 **of existing buildings and the acquisition of land; and**
37 (2) **repay bonds issued or leases entered into for the purposes**
38 **described in subdivision (1).**

1 (c) In addition to the rates permitted by section 2 of this
2 chapter, the county council may impose the county adjusted gross
3 income tax at a rate of:

- 4 (1) fifteen-hundredths percent (0.15%);
5 (2) two-tenths percent (0.2%); or
6 (3) twenty-five hundredths percent (0.25%);

7 on the adjusted gross income of county taxpayers if the county
8 council makes the finding and determination set forth in subsection
9 (b). The tax imposed under this section may be imposed only until
10 the later of the date on which the financing, construction,
11 acquisition, improvement, renovation, and equipping described in
12 subsection (b) are completed or the date on which the last of any
13 bonds issued or leases entered into to finance the construction,
14 acquisition, improvement, renovation, and equipping described in
15 subsection (b) are fully paid. The term of the bonds issued
16 (including any refunding bonds) or a lease entered into under
17 subsection (b)(2) may not exceed twenty (20) years.

18 (d) If the county council makes a determination under
19 subsection (b), the county council may adopt a tax rate under
20 subsection (c). The tax rate may not be imposed at a rate greater
21 than is necessary to pay the costs of carrying out the purposes
22 described in subsection (b)(1).

23 (e) The county treasurer shall establish a criminal justice
24 facilities revenue fund to be used only for purposes described in
25 this section. County adjusted gross income tax revenues derived
26 from the tax rate imposed under this section shall be deposited in
27 the criminal justice facilities revenue fund before making a
28 certified distribution under section 11 of this chapter.

29 (f) County adjusted gross income tax revenues derived from the
30 tax rate imposed under this section:

- 31 (1) may be used only for the purposes described in this
32 section;
33 (2) may not be considered by the department of local
34 government finance in determining the county's maximum
35 permissible property tax levy limit under IC 6-1.1-18.5; and
36 (3) may be pledged to the repayment of bonds issued or leases
37 entered into for any or all the purposes described in
38 subsection (b).

1 **(g) Notwithstanding any other law, funds accumulated from the**
 2 **county adjusted gross income tax imposed under this section after:**

3 **(1) the completion of the financing, construction, acquisition,**
 4 **improvement, renovation, and equipping described in**
 5 **subsection (b);**

6 **(2) the payment or provision for payment of all the costs for**
 7 **activities described in subdivision (1);**

8 **(3) the redemption of bonds issued; and**

9 **(4) the final payment of lease rentals due under a lease**
 10 **entered into under this section;**

11 **shall be transferred to the county highway fund to be used for**
 12 **construction, resurfacing, restoration, and rehabilitation of county**
 13 **highways, roads, and bridges.**

14 SECTION 24. IC 6-3.5-1.1-2.9 IS ADDED TO THE INDIANA
 15 CODE AS A NEW SECTION TO READ AS FOLLOWS
 16 [EFFECTIVE UPON PASSAGE]: **Sec. 2.9. (a) This section applies**
 17 **to a county having a population of more than twenty-nine thousand**
 18 **(29,000) but less than thirty thousand (30,000).**

19 **(b) The county council may, by ordinance, determine that**
 20 **additional county adjusted gross income tax revenue is needed in**
 21 **the county to:**

22 **(1) finance, construct, acquire, improve, renovate, remodel, or**
 23 **equip the county jail and related buildings and parking**
 24 **facilities, including costs related to the demolition of existing**
 25 **buildings, the acquisition of land, and any other reasonably**
 26 **related costs; and**

27 **(2) repay bonds issued or leases entered into for constructing,**
 28 **acquiring, improving, renovating, remodeling, and equipping**
 29 **the county jail and related buildings and parking facilities,**
 30 **including costs related to the demolition of existing buildings,**
 31 **the acquisition of land, and any other reasonably related**
 32 **costs.**

33 **(c) In addition to the rates permitted by section 2 of this**
 34 **chapter, the county council may impose the county adjusted gross**
 35 **income tax at a rate of:**

36 **(1) fifteen-hundredths percent (0.15%);**

37 **(2) two-tenths percent (0.2%); or**

38 **(3) twenty-five hundredths percent (0.25%);**

1 on the adjusted gross income of county taxpayers if the county
2 council makes the finding and determination set forth in subsection
3 (b). The tax imposed under this section may be imposed only until
4 the later of the date on which the financing on, acquisition,
5 improvement, renovation, remodeling, and equipping described in
6 subsection (b) are completed or the date on which the last of any
7 bonds issued or leases entered into to finance the construction,
8 acquisition, improvement, renovation, remodeling, and equipping
9 described in subsection (b) are fully paid. The term of the bonds
10 issued (including any refunding bonds) or a lease entered into
11 under subsection (b)(2) may not exceed twenty-five (25) years.

12 (d) If the county council makes a determination under
13 subsection (b), the county council may adopt a tax rate under
14 subsection (b). The tax rate may not be imposed at a rate greater
15 than is necessary to pay the costs of financing, acquiring,
16 improving, renovating, remodeling, and equipping the county jail
17 and related buildings and parking facilities, including costs related
18 to the demolition of existing buildings, the acquisition of land, and
19 any other reasonably related costs.

20 (e) The county treasurer shall establish a county jail revenue
21 fund to be used only for purposes described in this section. County
22 adjusted gross income tax revenues derived from the tax rate
23 imposed under this section shall be deposited in the county jail
24 revenue fund before making a certified distribution under section
25 11 of this chapter.

26 (f) County adjusted gross income tax revenues derived from the
27 tax rate imposed under this section:

28 (1) may be used only for the purposes described in this
29 section;

30 (2) may not be considered by the department of local
31 government finance in determining the county's maximum
32 permissible property tax levy limit under IC 6-1.1-18.5; and

33 (3) may be pledged to the repayment of bonds issued or leases
34 entered into for purposes described in subsection (b).

35 (g) A county described in subsection (a) possesses unique
36 governmental and economic development challenges due to:

37 (1) underemployment in relation to similarly situated counties
38 and the loss of a major manufacturing business;

1 (2) an increase in property taxes for taxable years after
2 December 31, 2000, for the construction of a new elementary
3 school; and

4 (3) overcrowding of the county jail, the costs associated with
5 housing the county's inmates outside the county, and the
6 potential unavailability of additional housing for inmates
7 outside the county.

8 **The use of county adjusted gross income tax revenues as provided**
9 **in this chapter is necessary for the county to provide adequate jail**
10 **capacity in the county and to maintain low property tax rates**
11 **essential to economic development. The use of county adjusted**
12 **gross income tax revenues as provided in this chapter to pay any**
13 **bonds issued or leases entered into to finance the construction,**
14 **acquisition, improvement, renovation, remodeling, and equipping**
15 **described in subsection (b), rather than the use of property taxes,**
16 **promotes those purposes.**

17 (b) Notwithstanding any other law, funds accumulated from the
18 county adjusted gross income tax imposed under this section after:

19 (1) the redemption of bonds issued; or

20 (2) the final payment of lease rentals due under a lease
21 entered into under this section;

22 shall be transferred to the county highway fund to be used for
23 construction, resurfacing, restoration, and rehabilitation of county
24 highways, roads, and bridges.

25 SECTION 25. IC 6-3.5-1.1-3.6 IS ADDED TO THE INDIANA
26 CODE AS A NEW SECTION TO READ AS FOLLOWS
27 [EFFECTIVE UPON PASSAGE]: **Sec. 3.6. (a) This section applies**
28 **only to a county having a population of more than six thousand**
29 **(6,000) but less than eight thousand (8,000).**

30 (b) The county council may, by ordinance, determine that
31 additional county adjusted gross income tax revenue is needed in
32 the county to:

33 (1) finance, construct, acquire, improve, renovate, or equip
34 the county courthouse; and

35 (2) repay bonds issued, or leases entered into, for
36 constructing, acquiring, improving, renovating, and equipping
37 the county courthouse.

38 (c) In addition to the rates permitted under section 2 of this

1 chapter, the county council may impose the county adjusted gross
2 income tax at a rate of twenty-five hundredths percent (0.25%) on
3 the adjusted gross income of county taxpayers in the county
4 council makes the finding and determination set forth in subsection
5 (b). The tax imposed under this section may be imposed only until
6 the later of the date on which the financing on, acquisition,
7 improvement, renovation, and equipping described in subsection
8 (b) is completed or the date on which the last of any bonds issued
9 or leases entered into to finance the construction, acquisition,
10 improvement, renovation, and equipping described in subsection
11 (b) are fully paid. The term of the bonds issued (including any
12 refunding bonds) or a lease entered into under subsection (b)(2)
13 may not exceed twenty-two (22) years.

14 (d) If the county council makes a determination under
15 subsection (b), the county council may adopt a tax rate under
16 subsection (b). The tax rate may not be imposed for a time greater
17 than is necessary to pay the costs of financing, constructing,
18 acquiring, renovating, and equipping the county courthouse.

19 (e) The county treasurer shall establish a county jail revenue
20 fund to be used only for purposes described in this section. County
21 adjusted gross income tax revenues derived from the tax rate
22 imposed under this section shall be deposited in the county jail
23 revenue fund before a certified distribution is made under section
24 11 of this chapter.

25 (f) County adjusted gross income tax revenues derived from the
26 tax rate imposed under this section:

27 (1) may only be used for the purposes described in this
28 section;

29 (2) may not be considered by the department of local
30 government finance in determining the county's maximum
31 permissible property tax levy under IC 6-1.1-18.5; and

32 (3) may be pledged to the repayment of bonds issued or leases
33 entered into for purposes described in subsection (b).

34 (g) A county described in subsection (a) possesses unique
35 economic development challenges due to:

36 (1) the county's heavy agricultural base;

37 (2) the presence of a large amount of state owned property in
38 the county that is exempt from property taxation; and

1 **(3) recent obligations of the school corporation in the county**
 2 **that have already increased property taxes in the county and**
 3 **imposed additional property tax burdens on the county's**
 4 **agricultural base.**

5 **Maintaining low property tax rates is essential to economic**
 6 **development. The use of county adjusted gross income tax revenues**
 7 **as provided in this chapter to pay any bonds issued or leases**
 8 **entered into to finance the construction, acquisition, improvement,**
 9 **renovation, and equipping described in subsection (b), rather than**
 10 **the use of property taxes, promotes that purpose.**

11 **(h) Notwithstanding any other law, funds accumulated from the**
 12 **county adjusted gross income tax imposed under this section after:**

- 13 **(1) the redemption of the bonds issued; or**
 14 **(2) the final payment of lease rentals due under a lease**
 15 **entered into under this section;**

16 **shall be transferred to the county highway fund to be used for**
 17 **construction, resurfacing, restoration, and rehabilitation of county**
 18 **highways, roads, and bridges.**

19 SECTION 26. IC 6-3.5-1.1-9.5 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9.5. (a) **After January**
 21 **1 and before April 1 of a year,** the county council of a county may
 22 adopt an ordinance to reduce the required six (6) month balance of that
 23 county's special account to a three (3) month balance for that county.

24 (b) To reduce the balance, a county council must adopt an
 25 ordinance. The ordinance must substantially state the following:

26 "The _____ County council elects to reduce the required county
 27 income tax special account balance from a six (6) month balance to a
 28 three (3) month balance within ninety (90) days after the adoption of
 29 this ordinance."

30 (c) Not more than thirty (30) days after adopting an ordinance under
 31 subsection (b), the county council shall deliver a copy of the ordinance
 32 to the budget agency.

33 (d) Not later than:

- 34 (1) sixty (60) days after a county council adopts an ordinance
 35 under subsection (b); and
 36 (2) December 31; ~~of each year;~~

37 the budget agency shall make the calculation described in subsection
 38 (e). Not later than ninety (90) days after the ordinance is adopted, the

1 budget agency shall make an initial distribution to the county auditor
 2 of the amount determined under subsection (e) STEP FOUR.
 3 ~~Subsequent distributions needed to distribute any amount in the county~~
 4 ~~income tax special account that exceeds a three (3) month balance, as~~
 5 ~~determined under STEP FOUR of subsection (e), shall be made in~~
 6 ~~January of the ensuing calendar year after the calculation is made:~~

7 (e) The budget agency shall make the following calculation:

8 STEP ONE: Determine the cumulative balance in a county's
 9 account established under section 8 of this chapter.

10 STEP TWO: Divide the amount estimated under section 9(b) of
 11 this chapter before any adjustments are made under section 9(c)
 12 or 9(d) of this chapter by twelve (12).

13 STEP THREE: Multiply the STEP TWO amount by three (3).

14 STEP FOUR: Subtract the amount determined in STEP THREE
 15 from the amount determined in STEP ONE.

16 (f) For the purposes of this subsection and subsection (g), "civil
 17 taxing unit" includes a city or town that existed on January 1 of the year
 18 in which the distribution is made. The county auditor shall distribute
 19 an amount received under subsection (d) to the civil taxing units in the
 20 same manner as the certified distribution is distributed and not later
 21 than thirty (30) days after the county auditor receives the amount.
 22 However, the county auditor shall distribute an amount to a civil taxing
 23 unit that does not have a property tax levy in the year of the distribution
 24 based on an estimate certified by the state board of tax commissioners.
 25 The state board of tax commissioners shall compute and certify an
 26 amount for a civil taxing unit that does not have a property tax levy
 27 equal to the amount to be distributed multiplied by a fraction in which:

28 (1) the numerator of the fraction equals an estimate of the budget
 29 of that civil taxing unit for:

30 (A) that calendar year, if the civil taxing unit has adopted a
 31 resolution indicating that the civil taxing unit will not adopt a
 32 property tax in the ensuing calendar year; or

33 (B) the ensuing calendar year, if clause (A) does not apply;
 34 and

35 (2) the denominator of the fraction equals the aggregate attributed
 36 levies (as defined in IC 6-3.5-1.1-15) of all civil taxing units of
 37 that county for that calendar year plus the sum of the budgets
 38 estimated under subdivision (1) for each civil taxing unit that

1 does not have a property tax levy in the year of the distribution.
 2 (g) The civil taxing units may use the amounts received under
 3 subsection (f) for any item for which the particular civil taxing unit's
 4 certified shares may be used. The amount distributed shall not be
 5 included in the computation under IC 6-1.1-18.5-3.

6 SECTION 27. IC 6-3.5-1.1-10, AS AMENDED BY P.L.135-2001,
 7 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 UPON PASSAGE]: Sec. 10. (a) One-half (1/2) of each adopting
 9 county's certified distribution for a calendar year shall be distributed
 10 from its account established under section 8 of this chapter to the
 11 appropriate county treasurer on May 1 and the other one-half (1/2) on
 12 November 1 of that calendar year.

13 (b) Except for:
 14 (1) revenue that must be used to pay the costs of operating a jail
 15 and juvenile detention center under section 2.5(d) of this chapter;
 16 (2) **revenue that must be used to pay the costs of:**
 17 **(A) financing, constructing, acquiring, improving,**
 18 **renovating, or equipping facilities and buildings;**
 19 **(B) debt service on bonds; or**
 20 **(C) lease rentals;**
 21 **under section 2.8 of this chapter;**
 22 (3) revenue that must be used to pay the costs of construction,
 23 improvement, ~~or~~ renovation, ~~or~~ remodeling of a jail **and related**
 24 **buildings and parking structures** under section 2.7 **or 2.9** of this
 25 chapter; ~~or~~
 26 ~~(3)~~ (4) revenue that must be used to pay the costs of operating and
 27 maintaining a jail and justice center under section 3.5(d) of this
 28 chapter; ~~or~~
 29 (5) **revenue that must be used to pay the costs of constructing,**
 30 **acquiring, improving, renovating, or equipping a county**
 31 **courthouse under section 3.6 of this chapter;**

32 distributions made to a county treasurer under subsection (a) shall be
 33 treated as though they were property taxes that were due and payable
 34 during that same calendar year. The certified distribution shall be
 35 distributed and used by the taxing units and school corporations as
 36 provided in sections 11 through 15 of this chapter.

37 (c) All distributions from an account established under section 8 of
 38 this chapter shall be made by warrants issued by the auditor of the state

1 to the treasurer of the state ordering the appropriate payments.

2 SECTION 28. IC 6-3.5-1.1-11, AS AMENDED BY P.L.135-2001,
3 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 11. (a) Except for:

5 (1) revenue that must be used to pay the costs of operating a jail
6 and juvenile detention center under section 2.5(d) of this chapter;

7 (2) **revenue that must be used to pay the costs of:**

8 (A) **financing, constructing, acquiring, improving,**
9 **renovating, or equipping facilities and buildings;**

10 (B) **debt service on bonds; or**

11 (C) **lease rentals;**
12 **under section 2.8 of this chapter;**

13 (3) revenue that must be used to pay the costs of construction,
14 improvement, ~~or~~ renovation, **or remodeling** of a jail **and related**
15 **buildings and parking structures** under section 2.7 **or 2.9** of this
16 chapter; ~~or~~

17 ~~(3)~~ (4) revenue that must be used to pay the costs of operating and
18 maintaining a jail and justice center under section 3.5(d) of this
19 chapter; **or**

20 (5) **revenue that must be used to pay the costs of constructing,**
21 **acquiring, improving, renovating, or equipping a county**
22 **courthouse under section 3.6 of this chapter;**

23 the certified distribution received by a county treasurer shall, in the
24 manner prescribed in this section, be allocated, distributed, and used
25 by the civil taxing units and school corporations of the county as
26 certified shares and property tax replacement credits.

27 (b) Before August 2 of each calendar year, each county auditor shall
28 determine the part of the certified distribution for the next succeeding
29 calendar year that will be allocated as property tax replacement credits
30 and the part that will be allocated as certified shares. The percentage
31 of a certified distribution that will be allocated as property tax
32 replacement credits or as certified shares depends upon the county
33 adjusted gross income tax rate for resident county taxpayers in effect
34 on August 1 of the calendar year that precedes the year in which the
35 certified distribution will be received. The percentages are set forth in
36 the following table:

37		PROPERTY
38	COUNTY	TAX

1	ADJUSTED GROSS	REPLACEMENT	CERTIFIED
2	INCOME TAX RATE	CREDITS	SHARES
3	0.5%	50%	50%
4	0.75%	33 1/3%	66 2/3%
5	1%	25%	75%

6 (c) The part of a certified distribution that constitutes property tax
 7 replacement credits shall be distributed as provided under sections 12,
 8 13, and 14 of this chapter.

9 (d) The part of a certified distribution that constitutes certified
 10 shares shall be distributed as provided by section 15 of this chapter.

11 SECTION 29. IC 6-3.5-1.1-21 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 21. Before ~~February 1~~
 13 **July 2** of each year, the department shall submit a report to each county
 14 ~~treasurer auditor~~ indicating ~~the balance in the county's adjusted gross~~
 15 ~~income tax account as of the end of the preceding year.~~ **the following:**

16 (1) **The balance in the county's adjusted gross income tax**
 17 **account as of the end of the preceding year.**

18 (2) **The required six (6) month balance, or three (3) month**
 19 **balance if the county has adopted an ordinance under section**
 20 **9.5 of this chapter before the end of the preceding year.**

21 SECTION 30. IC 6-3.5-1.1-21.1 IS ADDED TO THE INDIANA
 22 CODE AS A NEW SECTION TO READ AS FOLLOWS
 23 [EFFECTIVE JULY 1, 2002]: **Sec. 21.1. (a) If, after receiving a**
 24 **recommendation from the budget agency, the department**
 25 **determines that a sufficient balance existed at the end of the**
 26 **preceding year in excess of the required six (6) or three (3) month**
 27 **balance, the department may make a supplemental distribution to**
 28 **a county from the county's adjusted gross income tax account.**

29 (b) **A supplemental distribution described in subsection (a) must**
 30 **be:**

31 (1) **made in January of the ensuing calendar year; and**

32 (2) **allocated and used in the same manner as certified**
 33 **distributions.**

34 (c) **A determination under this section must be made before July**
 35 **2.**

36 SECTION 31. IC 6-3.5-6-2.5 IS ADDED TO THE INDIANA
 37 CODE AS A NEW SECTION TO READ AS FOLLOWS
 38 [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. (a) This section applies**

1 to a county having a population of more than one hundred twenty
2 thousand (120,000) but less than one hundred thirty thousand
3 (130,000).

4 (b) In addition to the actions authorized under section 2 of this
5 chapter, a county income tax council may, using the procedures set
6 forth in this chapter, adopt an ordinance to impose an additional
7 county option income tax at a rate that may not exceed twenty-five
8 hundredths percent (0.25%) on the adjusted gross income of
9 county taxpayers if the county income tax council makes the
10 finding and determination required under subsection (c).

11 (c) In order to impose an additional county option income tax
12 rate under this section, the county income tax council must adopt
13 an ordinance finding and determining that revenues from the
14 additional county option income tax are needed to pay the costs of
15 financing, constructing, acquiring, renovating, equipping, and
16 operating one (1) or more of the following facilities:

17 (1) A community correction facility.

18 (2) A juvenile treatment center.

19 (3) A records keeping facility.

20 (4) A county building.

21 (5) An animal shelter.

22 (6) An emergency services facility.

23 The costs that may be paid from revenues collected under this
24 section also include costs related to the land, appurtenances, and
25 infrastructure associated with a facility described in this subsection
26 and the costs of repaying bonds issued or leases entered into for the
27 purchasing, financing, constructing, acquiring, renovating,
28 equipping, and operating the facility.

29 (d) If the county income tax council makes a determination
30 required under subsection (c), the county income tax council may
31 adopt a tax rate under this section. The tax rate may not be
32 imposed at a rate or for a time greater than is necessary to pay the
33 costs described in subsection (c).

34 (e) The county treasurer shall establish a county facilities
35 revenue fund to be used only for the purposes described in this
36 section. County option income tax revenues derived from the tax
37 rate imposed under this section:

38 (1) shall be deposited in the county facilities revenue fund

1 **before a certified distribution is made under section 17 of this**
 2 **chapter;**

3 **(2) may not be used for the purposes described in section 17.4,**
 4 **17.5, 17.6, 18, or 18.5 of this chapter; and**

5 **(3) may not be considered by the department of local**
 6 **government finance in determining the county's ad valorem**
 7 **property tax levy for an ensuing calendar year under**
 8 **IC 6-1.1-18.5.**

9 **(f) Notwithstanding section 2 of this chapter, an ordinance may**
 10 **be adopted under this section at any time. If the ordinance is**
 11 **adopted before April 1 of a particular calendar year, a tax rate**
 12 **imposed under this section takes effect on July 1 of the calendar**
 13 **year. If the ordinance is adopted after March 31, a tax rate**
 14 **imposed under this section takes effect on January 1 of the ensuing**
 15 **calendar year.**

16 **(g) Notwithstanding any other law:**

17 **(1) funds accumulated from the county option income tax rate**
 18 **imposed under this section and deposited in the county**
 19 **facilities revenue fund; or**

20 **(2) any other revenues of the county;**
 21 **may be deposited in a nonreverting fund of the county to be used**
 22 **for the operating costs of a facility described in subsection (c).**
 23 **Amounts in the county nonreverting fund may not be used by the**
 24 **department of local government finance to reduce the county's ad**
 25 **valorem property tax levy for an ensuing calendar year under**
 26 **IC 6-1.1-18.5.**

27 **(h) A county described in subsection (a) possesses unique fiscal**
 28 **challenges to finance, construct, acquire, renovate, equip, and**
 29 **operate the facilities described in subsection (c) because the**
 30 **county:**

31 **(1) includes a disproportionate percentage of property that is**
 32 **not subject to property taxation; and**

33 **(2) is experiencing sustained growth requiring additional**
 34 **county services.**

35 **SECTION 32. IC 6-3.5-6-17 IS AMENDED TO READ AS**
 36 **FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) ~~Revenue~~**
 37 **Except as provided in section 2.5 of this chapter, revenue derived**
 38 **from the imposition of the county option income tax shall, in the**

1 manner prescribed by this section, be distributed to the county that
2 imposed it. The amount that is to be distributed to a county during an
3 ensuing calendar year equals the amount of county option income tax
4 revenue that the department, after reviewing the recommendation of the
5 state budget agency, estimates will be received from that county during
6 the twelve (12) month period beginning July 1 of the immediately
7 preceding calendar year and ending June 30 of the ensuing calendar
8 year.

9 (b) Before June 16 of each calendar year, the department, after
10 reviewing the recommendation of the state budget agency, shall
11 estimate and certify to the county auditor of each adopting county the
12 amount of county option income tax revenue that will be collected from
13 that county during the twelve (12) month period beginning July 1 of
14 that calendar year and ending June 30 of the immediately succeeding
15 calendar year. The amount certified is the county's "certified
16 distribution" for the immediately succeeding calendar year. The amount
17 certified may be adjusted under subsection (c) or (d).

18 (c) The department may certify to an adopting county an amount
19 that is greater than the estimated twelve (12) month revenue collection
20 if the department, after reviewing the recommendation of the state
21 budget agency, determines that there will be a greater amount of
22 revenue available for distribution from the county's account established
23 under section 16 of this chapter.

24 (d) The department may certify an amount less than the estimated
25 twelve (12) month revenue collection if the department, after reviewing
26 the recommendation of the state budget agency, determines that a part
27 of those collections needs to be distributed during the current calendar
28 year so that the county will receive its full certified distribution for the
29 current calendar year.

30 (e) One-twelfth (1/12) of each adopting county's certified
31 distribution for a calendar year shall be distributed from its account
32 established under section 16 of this chapter to the appropriate county
33 treasurer on the first day of each month of that calendar year.

34 (f) **Except as provided in section 2.5 of this chapter**, upon receipt,
35 each monthly payment of a county's certified distribution shall be
36 allocated among, distributed to, and used by the civil taxing units of the
37 county as provided in sections 18 and 19 of this chapter.

38 (g) All distributions from an account established under section 16

1 of this chapter shall be made by warrants issued by the auditor of state
2 to the treasurer of ~~the~~ state ordering the appropriate payments.

3 SECTION 33. IC 6-3.5-6-17.2 IS ADDED TO THE INDIANA
4 CODE AS A NEW SECTION TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2002]: **Sec. 17. 2. Before July 2 of each year,**
6 **the department shall submit a report to each county auditor**
7 **indicating the following:**

8 (1) **The balance in the county's special account as of the end**
9 **of the preceding year.**

10 (2) **The required six (6) month balance or three (3) month**
11 **balance, if the county has adopted an ordinance under:**

12 (A) **IC 6-3.5-6-17.4;**

13 (B) **IC 6-3.5-6-17.5; or**

14 (C) **IC 6-3.5-6-17.6;**

15 **before the end of the preceding year.**

16 SECTION 34. IC 6-3.5-6-17.3 IS ADDED TO THE INDIANA
17 CODE AS A NEW SECTION TO READ AS FOLLOWS
18 [EFFECTIVE JULY 1, 2002]: **Sec. 17. 3. (a) If, after receiving a**
19 **recommendation from the budget agency, the department**
20 **determines that a sufficient balance existed at the end of the**
21 **preceding year in excess of the required six (6) or three (3) month**
22 **balance, the department may make a supplemental distribution to**
23 **a county from the county's special account.**

24 (b) **A supplemental distribution described in subsection (a) must**
25 **be:**

26 (1) **made in January of the ensuing calendar year; and**

27 (2) **allocated and used in the same manner as certified**
28 **distributions.**

29 (c) **A determination under this section must be made before July**
30 **2.**

31 SECTION 35. IC 6-3.5-6-17.4 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 17.4. (a) This section**
33 **applies only to a county having a population of more than thirty-six**
34 **thousand seven hundred (36,700) but less than thirty-seven thousand**
35 **(37,000).**

36 (b) **The county income tax council of a county may adopt an**
37 **ordinance to reduce the required six (6) month balance of that county's**
38 **special account to a three (3) month balance for that county.**

1 (c) To reduce the balance a county income tax council must adopt
2 an ordinance. The ordinance must substantially state the following:

3 "The _____ County Income Tax Council elects to reduce the
4 required county income tax special account balance from a six (6)
5 month balance to a three (3) month balance within ninety (90) days
6 after the adoption of this ordinance."

7 (d) Not more than thirty (30) days after adopting an ordinance under
8 subsection (c), the county income tax council shall deliver a copy of the
9 ordinance to the budget agency.

10 (e) Not later than:

11 (1) sixty (60) days after a county income tax council adopts an
12 ordinance under subsection (c); and

13 (2) December 31; ~~of each year;~~

14 the budget agency shall make the calculation described in subsection
15 (f). Not later than ninety (90) days after the ordinance is adopted, the
16 budget agency shall make an initial distribution to the county auditor
17 of the amount determined under subsection (f) STEP FOUR.
18 Subsequent distributions needed to distribute any amount in the county
19 income tax special account that exceeds a three (3) month balance, as
20 determined under subsection (f) STEP FOUR, shall be made in January
21 of the ensuing calendar year after the calculation is made.

22 (f) The budget agency shall make the following calculation:

23 STEP ONE: Determine the cumulative balance in a county's
24 account established under section 16 of this chapter.

25 STEP TWO: Divide the amount estimated under section 17(b) of
26 this chapter before any adjustments are made under section 17(c)
27 or 17(d) of this chapter by twelve (12).

28 STEP THREE: Multiply the STEP TWO amount by three (3).

29 STEP FOUR: Subtract the amount determined in STEP THREE
30 from the amount determined in STEP ONE.

31 (g) The county auditor shall distribute an amount received under
32 subsection (e) to the civil taxing units in the same manner as the
33 certified distribution is distributed and not later than thirty (30) days
34 after the county auditor receives the amount.

35 (h) The civil taxing units may use the amounts received under
36 subsection (g) for any item for which the particular civil taxing unit's
37 certified distribution may be used.

38 SECTION 36. IC 6-3.5-6-17.5 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17.5. (a) This section
2 does not apply to a county containing a consolidated city.

3 (b) The county income tax council of any county may adopt an
4 ordinance to reduce the required six (6) month balance of that county's
5 special account to a three (3) month balance for that county on January
6 1 of a year.

7 (c) To reduce the balance a county income tax council must, after
8 January 1 but before April 1 of a year, adopt an ordinance. The
9 ordinance must substantially state the following:

10 "The _____ County Income Tax Council elects to reduce
11 the required county income tax special account balance from a six (6)
12 month balance to a three (3) month balance."

13 (d) On or before December 31, ~~of each year~~, the budget agency shall
14 make the following calculation:

15 STEP ONE: Determine the cumulative balance in a county's
16 account established under section 16 of this chapter.

17 STEP TWO: Divide the amount estimated under section 17(b) of
18 this chapter before any adjustments are made under section 17(c)
19 or 17(d) of this chapter by twelve (12).

20 STEP THREE: Multiply the STEP TWO amount by three (3).

21 STEP FOUR: Subtract the amount determined in STEP THREE
22 from the amount determined in STEP ONE.

23 (e) The amount determined in STEP FOUR of subsection (d) shall
24 be distributed to the county auditor in January of the ensuing calendar
25 year.

26 (f) The county auditor shall distribute the amount received under
27 subsection (e) to the civil taxing units in the same manner as the
28 certified distribution is distributed and not later than thirty (30) days
29 after the county auditor receives the amount.

30 (g) The civil taxing units may use the amounts received under
31 subsection (f) as follows:

32 (1) For the later of 1995 or the first calendar year in which the
33 county adopts an ordinance under subsection (c) and:

34 (A) for each civil taxing unit that is a county, city, or town, for
35 the purposes authorized under IC 36-9-14.5-2 or
36 IC 36-9-15.5-2 (whichever applies and regardless of whether
37 the civil taxing unit has established a cumulative capital
38 development fund under IC 36-9-14.5 or IC 36-9-15.5); and

1 (B) for each civil taxing unit that is a township or a special
 2 taxing district, for any item for which the civil taxing unit may
 3 issue a general obligation bond.

4 (2) For each year after the year to which subdivision (1) applies
 5 and for all civil taxing units, for any item for which the particular
 6 civil taxing unit's certified distribution may be used.

7 SECTION 37. IC 6-3.5-6-17.6, AS AMENDED BY P.L.283-2001,
 8 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2002]: Sec. 17.6. (a) This section applies to a county
 10 containing a consolidated city.

11 (b) On or before July ~~15~~ 2 of each year, the budget agency shall
 12 make the following calculation:

13 STEP ONE: Determine the cumulative balance in a county's
 14 account established under section 16 of this chapter as of the end
 15 of the current calendar year.

16 STEP TWO: Divide the amount estimated under section 17(b) of
 17 this chapter before any adjustments are made under section 17(c)
 18 or 17(d) of this chapter by twelve (12).

19 STEP THREE: Multiply the STEP TWO amount by three (3).

20 STEP FOUR: Subtract the amount determined in STEP THREE
 21 from the amount determined in STEP ONE.

22 (c) For 1995, the budget agency shall certify the STEP FOUR
 23 amount to the county auditor on or before July 15, 1994. Not later than
 24 January 31, 1995, the auditor of state shall distribute the STEP FOUR
 25 amount to the county auditor to be used to retire outstanding
 26 obligations for a qualified economic development tax project (as
 27 defined in IC 36-7-27-9).

28 (d) After 1995, the STEP FOUR amount shall be distributed to the
 29 county auditor in January of the ensuing calendar year. The STEP
 30 FOUR amount shall be distributed by the county auditor to the civil
 31 taxing units within thirty (30) days after the county auditor receives the
 32 distribution. Each civil taxing unit's share equals the STEP FOUR
 33 amount multiplied by the quotient of:

34 (1) the maximum permissible property tax levy under
 35 IC 6-1.1-18.5 for the civil taxing unit, plus, for a county, an
 36 amount equal to:

37 (A) the property taxes imposed by the county in 1999 for the
 38 county's welfare administration fund; plus

- 1 (B) after December 31, 2002, the greater of zero (0) or the
- 2 difference between:
- 3 (i) the county hospital care for the indigent property tax levy
- 4 imposed by the county in 2002, adjusted each year after
- 5 2002 by the statewide average assessed value growth
- 6 quotient described in IC 12-16-14-3; minus
- 7 (ii) the current uninsured parents program property tax levy
- 8 imposed by the county; divided by
- 9 (2) the sum of the maximum permissible property tax levies under
- 10 IC 6-1.1-18.5 for all civil taxing units of the county, plus an
- 11 amount equal to:
- 12 (A) the property taxes imposed by the county in 1999 for the
- 13 county's welfare administration fund; plus
- 14 (B) after December 31, 2002, the greater of zero (0) or the
- 15 difference between:
- 16 (i) the county hospital care for the indigent property tax levy
- 17 imposed by the county in 2002, adjusted each year after
- 18 2002 by the ~~state~~ **statewide** average assessed value growth
- 19 quotient described in IC 12-16-14-3; minus
- 20 (ii) the current uninsured parents program property tax levy
- 21 imposed by the county.

22 SECTION 38. IC 6-3.5-6-26 IS ADDED TO THE INDIANA CODE
 23 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
 24 UPON PASSAGE]: **Sec. 26. (a) A pledge of county option income**
 25 **tax revenues under this chapter is enforceable in accordance with**
 26 **IC 5-1-14.**

27 **(b) With respect to obligations for which a pledge has been**
 28 **made under this chapter, the general assembly covenants with the**
 29 **county and the purchasers or owners of those obligations that this**
 30 **chapter will not be repealed or amended in any manner that will**
 31 **adversely affect the tax collected under this chapter as long as the**
 32 **principal of or interest on those obligations is unpaid.**

33 SECTION 39. IC 6-3.5-7-5, AS AMENDED BY P.L.135-2001,
 34 SECTION 6, AS AMENDED BY P.L.185-2001, SECTION 3, AND
 35 AS AMENDED BY P.L.291-2001, SECTION 179, IS AMENDED
 36 AND CORRECTED TO READ AS FOLLOWS [EFFECTIVE UPON
 37 PASSAGE]: **Sec. 5. (a) Except as provided in subsection (c), the**
 38 **county economic development income tax may be imposed on the**

1 adjusted gross income of county taxpayers. The entity that may impose
2 the tax is:

- 3 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
- 4 the county option income tax is in effect on January 1 of the year
- 5 the county economic development income tax is imposed;
- 6 (2) the county council if the county adjusted gross income tax is
- 7 in effect on January 1 of the year the county economic
- 8 development tax is imposed; or
- 9 (3) the county income tax council or the county council,
- 10 whichever acts first, for a county not covered by subdivision (1)
- 11 or (2).

12 To impose the county economic development income tax, a county
13 income tax council shall use the procedures set forth in IC 6-3.5-6
14 concerning the imposition of the county option income tax.

15 (b) Except as provided in subsections (c), ~~and (g), (j); and (k)~~, the
16 county economic development income tax may be imposed at a rate of:

- 17 (1) one-tenth percent (0.1%);
- 18 (2) two-tenths percent (0.2%);
- 19 (3) twenty-five hundredths percent (0.25%);
- 20 (4) three-tenths percent (0.3%);
- 21 (5) thirty-five hundredths percent (0.35%);
- 22 (6) four-tenths percent (0.4%);
- 23 (7) forty-five hundredths percent (0.45%); or
- 24 (8) five-tenths percent (0.5%);

25 on the adjusted gross income of county taxpayers.

26 (c) Except as provided in subsection (h), (i), ~~or (j), or (k)~~, **(l), (m),**
27 **(n), or (o)**, the county economic development income tax rate plus the
28 county adjusted gross income tax rate, if any, that are in effect on
29 January 1 of a year may not exceed one and twenty-five hundredths
30 percent (1.25%). Except as provided in subsection (g), the county
31 economic development tax rate plus the county option income tax rate,
32 if any, that are in effect on January 1 of a year may not exceed one
33 percent (1%).

34 (d) To impose the county economic development income tax, the
35 appropriate body must, after January 1 but before April 1 of a year,
36 adopt an ordinance. The ordinance must substantially state the
37 following:

38 "The _____ County _____ imposes the county economic

1 development income tax on the county taxpayers of _____
 2 County. The county economic development income tax is imposed at
 3 a rate of _____ percent (____%) on the county taxpayers of the
 4 county. This tax takes effect July 1 of this year."

5 (e) Any ordinance adopted under this section takes effect July 1 of
 6 the year the ordinance is adopted.

7 (f) The auditor of a county shall record all votes taken on ordinances
 8 presented for a vote under the authority of this section and immediately
 9 send a certified copy of the results to the department by certified mail.

10 (g) This subsection applies to ~~a county having a population of more~~
 11 ~~than one hundred twenty-nine thousand (129,000) but less than one~~
 12 ~~hundred thirty thousand six hundred (130,600); a county having a~~
 13 **population of more than one hundred forty-eight thousand**
 14 **(148,000) but less than one hundred seventy thousand (170,000).** In
 15 addition to the rates permitted by subsection (b), the:

16 (1) county economic development income tax may be imposed at
 17 a rate of:

18 (A) fifteen-hundredths percent (0.15%);

19 (B) two-tenths percent (0.2%); or

20 (C) twenty-five hundredths percent (0.25%); and

21 (2) county economic development income tax rate plus the county
 22 option income tax rate that are in effect on January 1 of a year
 23 may equal up to one and twenty-five hundredths percent (1.25%);
 24 if the county income tax council makes a determination to impose rates
 25 under this subsection and section 22 of this chapter.

26 (h) For ~~a county having a population of more than thirty-seven~~
 27 ~~thousand (37,000) but less than thirty-seven thousand eight hundred~~
 28 ~~(37,800); a county having a population of more than forty-one~~
 29 **thousand (41,000) but less than forty-three thousand (43,000)**, the
 30 county economic development income tax rate plus the county adjusted
 31 gross income tax rate that are in effect on January 1 of a year may not
 32 exceed one and thirty-five hundredths percent (1.35%) if the county has
 33 imposed the county adjusted gross income tax at a rate of one and
 34 one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

35 (i) For ~~a county having a population of more than twelve thousand~~
 36 ~~six hundred (12,600) but less than thirteen thousand (13,000); a county~~
 37 **having a population of more than thirteen thousand five hundred**
 38 **(13,500) but less than fourteen thousand (14,000)**, the county

1 economic development income tax rate plus the county adjusted gross
2 income tax rate that are in effect on January 1 of a year may not exceed
3 one and fifty-five hundredths percent (1.55%).

4 *(j) For a county having a population of more than sixty-eight*
5 *thousand (68,000) but less than seventy-three thousand (73,000); a*
6 **county having a population of more than seventy-one thousand**
7 **(71,000) but less than seventy-one thousand four hundred (71,400),**
8 *the county economic development income tax rate plus the county*
9 *adjusted gross income tax rate that are in effect on January 1 of a year*
10 *may not exceed one and five-tenths percent (1.5%).*

11 *(j) This subsection applies to a county having a population of more*
12 *than twenty-seven thousand (27,000) but less than twenty-seven*
13 *thousand three hundred (27,300). In addition to the rates permitted*
14 *under subsection (b):*

15 *(1) the county economic development income tax may be imposed*
16 *at a rate of twenty-five hundredths percent (0.25%); and*

17 *(2) the sum of the county economic development income tax rate*
18 *and the county adjusted gross income tax rate that are in effect*
19 *on January 1 of a year may not exceed one and five-tenths*
20 *percent (1.5%);*

21 *if the county council makes a determination to impose rates under this*
22 *subsection and section 22.5 of this chapter.*

23 *(k) This subsection applies to a county having a population of more*
24 *than twenty-seven thousand (27,000) but less than twenty-seven*
25 *thousand three hundred (27,300): a county having a population of*
26 **more than twenty-seven thousand four hundred (27,400) but less**
27 **than twenty-seven thousand five hundred (27,500).** *In addition to*
28 *the rates permitted under subsection (b):*

29 *(1) the county economic development income tax may be imposed*
30 *at a rate of twenty-five hundredths percent (0.25%); and*

31 *(2) the sum of the county economic development income tax rate*
32 *and the county adjusted gross income tax rate that are in effect*
33 *on January 1 of a year may not exceed one and five-tenths*
34 *percent (1.5%);*

35 *if the county council makes a determination to impose rates under this*
36 *subsection and section 22.5 of this chapter.*

37 **(l) For a county having a population of more than twenty-nine**
38 **thousand (29,000) but less than thirty thousand (30,000), the county**

1 economic development income tax rate plus the county adjusted
 2 gross income tax rate that are in effect on January 1 of a year may
 3 not exceed one and five-tenths percent (1.5%).

4 (m) For a county having a population of more than one hundred
 5 eighty-two thousand seven hundred ninety (182,790) but less than
 6 two hundred thousand (200,000), the county economic development
 7 income tax rate plus the county adjusted gross income tax rate that
 8 are in effect on January 1 of a year may not exceed one and
 9 five-tenths percent (1.5%).

10 (n) For a county having a population of more than six thousand
 11 (6,000) but less than eight thousand (8,000), the county economic
 12 development income tax rate plus the county adjusted gross income
 13 tax rate that are in effect on January 1 of a year may not exceed
 14 one and five-tenths percent (1.5%).

15 (o) This subsection applies to a county having a population of
 16 more than thirty-nine thousand (39,000) but less than thirty-nine
 17 thousand six hundred (39,600). In addition to the rates permitted
 18 under subsection (b):

19 (1) the county economic development income tax may be
 20 imposed at a rate of twenty-five hundredths percent (0.25%);
 21 and

22 (2) the sum of the county economic development income tax
 23 rate and:

24 (A) the county adjusted gross income tax rate that are in
 25 effect on January 1 of a year may not exceed one and
 26 five-tenths percent (1.5%); or

27 (B) the county option income tax rate that are in effect on
 28 January 1 of a year may not exceed one and twenty-five
 29 hundredths percent (1.25%);

30 if the county council makes a determination to impose rates under
 31 this subsection and section 24 of this chapter.

32 SECTION 40. IC 6-3.5-7-10.5 IS ADDED TO THE INDIANA
 33 CODE AS A NEW SECTION TO READ AS FOLLOWS
 34 [EFFECTIVE JULY 1, 2002]: Sec. 10.5. Before July 2 of each year,
 35 the department shall submit a report to each county auditor
 36 indicating the following:

37 (1) The balance in the county's special account as of the end
 38 of the preceding year.

1 **(2) The required six (6) month balance as of the end of the**
 2 **preceding year.**

3 SECTION 41. IC 6-3.5-7-17.3 IS ADDED TO THE INDIANA
 4 CODE AS A NEW SECTION TO READ AS FOLLOWS
 5 [EFFECTIVE JULY 1, 2002]: **Sec. 17.3. (a) If, after receiving a**
 6 **recommendation from the budget agency, the department**
 7 **determines that a sufficient balance existed at the end of the**
 8 **preceding year that exceeded the required six (6) month balance as**
 9 **of the end of the preceding year, the department may make a**
 10 **supplemental distribution to a county from the county's special**
 11 **account.**

12 **(b) A supplemental distribution described in subsection (a) must**
 13 **be:**

14 **(1) made in January of the ensuing calendar year; and**
 15 **(2) allocated and used in the same manner as certified**
 16 **distributions.**

17 **(c) A determination under this section must be made before July**
 18 **2.**

19 SECTION 42. IC 6-3.5-7-24 IS ADDED TO THE INDIANA CODE
 20 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 21 UPON PASSAGE]: **Sec. 24. (a) This section applies to a county**
 22 **having a population of more than thirty-nine thousand (39,000) but**
 23 **less than thirty-nine thousand six hundred (39,600).**

24 **(b) In addition to the rates permitted by section 5 of this**
 25 **chapter, the county council may impose the county economic**
 26 **development income tax at a rate of twenty-five hundredths**
 27 **percent (0.25%) on the adjusted gross income of county taxpayers**
 28 **if the county council makes the finding and determination set forth**
 29 **in subsection (c).**

30 **(c) In order to impose the county economic development income**
 31 **tax as provided in this section, the county council must adopt an**
 32 **ordinance finding and determining that revenues from the county**
 33 **economic development income tax are needed to pay the costs of**
 34 **financing, constructing, acquiring, renovating, and equipping a**
 35 **county jail including the repayment of bonds issued, or leases**
 36 **entered into, for constructing, acquiring, renovating, and**
 37 **equipping a county jail.**

38 **(d) If the county council makes a determination under**

1 subsection (c), the county council may adopt a tax rate under
 2 subsection (b). The tax rate may not be imposed at a rate or for a
 3 time greater than is necessary to pay the costs of financing,
 4 constructing, acquiring, renovating, and equipping a county jail.

5 (e) The county treasurer shall establish a county jail revenue
 6 fund to be used only for the purposes described in this section.
 7 County economic development income tax revenues derived from
 8 the tax rate imposed under this section shall be deposited in the
 9 county jail revenue fund before making a certified distribution
 10 under section 11 of this chapter.

11 (f) County economic development income tax revenues derived
 12 from the tax rate imposed under this section:

13 (1) may only be used for the purposes described in this
 14 section;

15 (2) may not be considered by the state board of tax
 16 commissioners in determining the county's maximum
 17 permissible property tax levy limit under IC 6-1.1-18.5; and

18 (3) may be pledged to the repayment of bonds issued, or leases
 19 entered into, for the purposes described in subsection (c).

20 SECTION 43. IC 6-9-7-1 IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 2002]: Sec. 1. This chapter applies to a county
 22 having a population of more than one hundred twenty-nine thousand
 23 (~~129,000~~) but less than one hundred thirty thousand six hundred
 24 (~~130,600~~): a county having a population of more than one hundred
 25 **forty-eight thousand (148,000)** but less than one hundred seventy
 26 **thousand (170,000).**

27 SECTION 44. IC 6-9-7-7 IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 2002]: Sec. 7. (a) The county treasurer shall
 29 establish an innkeeper's tax fund. The treasurer shall deposit in that
 30 fund all money received under section 6 of this chapter.

31 (b) Money in the innkeeper's tax fund shall be expended in the
 32 following order:

33 (1) Through July 1999, not more than the revenue needed to
 34 service bonds issued under IC 36-10-3-40 through IC 36-10-3-45
 35 and outstanding on January 1, 1993, may be used to service
 36 bonds. The county auditor shall make a semiannual distribution,
 37 at the same time property tax revenue is distributed, to a park and
 38 recreation district that has issued bonds payable from a county

1 innkeeper's tax. Each semiannual distribution must be equal to
 2 one-half (1/2) of the annual principal and interest obligations on
 3 the bonds. Money received by a park and recreation district under
 4 this subdivision shall be deposited in a special fund to be used to
 5 service the bonds. During August 1999 the money that had been
 6 set aside to cover bond payments that remains after the bonds
 7 have been retired plus sixty percent (60%) of the tax revenue
 8 during August 1999 through December 1999 shall be distributed
 9 to the county treasurer to be used by the county park board,
 10 subject to appropriation by the county fiscal body.

11 (2) To the commission for its general use in paying operating
 12 expenses and to carry out the purposes set forth in section 3(a)(6)
 13 of this chapter. However, the amount that may be distributed
 14 under this subdivision during any particular year may not exceed
 15 the proceeds derived from an innkeeper's tax of two percent (2%)
 16 through December 1999 and fifty percent (50%) of the tax
 17 revenue beginning January 2000 and continuing through
 18 December ~~2004~~. **2014**.

19 (3) For the period beginning ~~January 2000~~ **July 1, 2002**, through
 20 December ~~2004~~, **2014**, fifty percent (50%) of the revenue to the
 21 county treasurer to be credited by the treasurer to a special
 22 account. **The county treasurer shall distribute money in the**
 23 **special account as follows:**

24 **(A) Seventy-five percent (75%) of the money in the special**
 25 **account shall be distributed to the department of natural**
 26 **resources** for the development of projects in ~~or near the state~~
 27 **park on** the county's largest river, including its tributaries.
 28 ~~(referred to as a qualified project): Upon the submission of a~~
 29 ~~written claim by the department of natural resources~~
 30 ~~requesting funds for a qualified project and to the extent there~~
 31 ~~is money in the special account, the county council shall~~
 32 ~~appropriate and the county auditor shall issue warrants to pay~~
 33 ~~the claim:~~

34 **(B) Twenty-five percent (25%) of the money in the special**
 35 **account shall be distributed to a community development**
 36 **corporation that serves a metropolitan area in the county**
 37 **that includes:**

38 **(i) a city having a population of more than fifty-five**

1 **thousand (55,000) but less than fifty-nine thousand**
 2 **(59,000); and**
 3 **(ii) a city having a population of more than twenty-eight**
 4 **thousand seven hundred (28,700) but less than**
 5 **twenty-nine thousand (29,000);**
 6 **for the community development corporation's use in**
 7 **tourism, recreation, and economic development activities.**
 8 **For the period beginning July 1, 2002, and continuing**
 9 **through December 2006, the community development**
 10 **corporation shall provide not less than forty percent (40%)**
 11 **of the money received from the special account under this**
 12 **clause as a grant to a nonprofit corporation that leases**
 13 **land in the state park described in this subdivision for the**
 14 **nonprofit corporation's use in noncapital projects in the**
 15 **state park.**

16 Money in the special account may not be used for any other
 17 purpose. The money credited to the account that has not been
 18 used for ~~qualified projects~~ **as specified in this subdivision** by
 19 January 1, ~~2005~~, **2015**, shall be transferred to the commission to
 20 be used to make grants as provided in subsection (c)(2).

21 (c) Money in the innkeeper's tax fund subject to appropriation by the
 22 county council shall be allocated and distributed after December ~~2004~~
 23 **2014** as follows:

24 (1) Fifty percent (50%) of the revenue to the commission for the
 25 commission's general use in paying operating expenses and to
 26 carry out the purposes set forth in section 3(a)(6) of this chapter.

27 (2) The remainder to the commission to be used solely to make
 28 grants for the development of recreation and tourism projects. The
 29 commission shall establish and make public the criteria that will
 30 be used in analyzing and awarding grants. At least ten percent
 31 (10%) but not more than fifteen percent (15%) of the grants may
 32 be awarded for noncapital projects. Grants may be made only to
 33 the following entities upon application by the executive of the
 34 entity:

35 (A) The county for deposit in a special account.

36 (B) The most populated city in the county for deposit in a
 37 special account.

38 (C) The second most populated city in the county for deposit

1 in a special account.

2 (D) The Tippecanoe County Wabash River parkway
3 commission, but only so long as the interlocal agreement
4 among the political subdivisions listed in clauses (A) through
5 (C) is in effect. Money received by the parkway commission
6 shall be segregated in a special account.

7 (d) Money credited to special accounts under subsection (c)(2) shall
8 be used only for recreation or tourism projects, or both."

9 Page 18, between lines 10 and 11, begin a new paragraph and insert:

10 "SECTION 30. IC 33-3-5-12 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The tax
12 court shall establish a small claims docket for processing:

13 (1) claims for refunds from the department of state revenue that
14 do not exceed five thousand dollars (\$5,000) for any year; and

15 (2) appeals of final determinations of assessed value made by the
16 ~~state board of tax commissioners~~ **Indiana board of tax review**
17 that do not exceed forty-five thousand dollars (\$45,000).

18 (b) The tax court shall adopt rules and procedures under which
19 cases on the small claims docket are heard and decided.

20 SECTION 45. IC 33-3-5-14.1 IS ADDED TO THE INDIANA
21 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
22 [EFFECTIVE JULY 1, 2001 (RETROACTIVE)]: **Sec. 14.1. (a) The**
23 **burden of demonstrating the invalidity of an action taken by the**
24 **state board of tax commissioners is on the party to the judicial**
25 **review proceeding asserting the invalidity.**

26 (b) **The validity of an action taken by the state board of tax**
27 **commissioners shall be determined in accordance with the**
28 **standards of review provided in this section as applied to the**
29 **agency action at the time it was taken.**

30 (c) **The tax court shall make findings of fact on each material**
31 **issue on which the court's decision is based.**

32 (d) **The tax court shall grant relief under section 15 of this**
33 **chapter only if the tax court determines that a person seeking**
34 **judicial relief has been prejudiced by an action of the state board**
35 **of tax commissioners that is:**

36 (1) **arbitrary, capricious, an abuse of discretion, or otherwise**
37 **not in accordance with law;**

38 (2) **contrary to constitutional right, power, privilege, or**

- 1 immunity;
- 2 **(3) in excess of or short of statutory jurisdiction, authority, or**
- 3 **limitations;**
- 4 **(4) without observance of procedure required by law; or**
- 5 **(5) unsupported by substantial or reliable evidence.**

6 **(e) Subsection (d) may not be construed to change the**
 7 **substantive precedential law embodied in judicial decisions that**
 8 **are final as of January 1, 2002.**

9 SECTION 46. IC 33-3-5-14.2, AS ADDED BY P.L.198-2001,
 10 SECTION 100, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE UPON PASSAGE]: Sec. 14.2. (a) The office of the
 12 attorney general shall represent a township assessor, **an executive (as**
 13 **defined in IC 36-1-2-5) of a township who performs the duties of a**
 14 **township assessor under IC 36-6-5-2, a county assessor, a county**
 15 **auditor, a member of a county property tax assessment board of**
 16 **appeals, or a county property tax assessment board of appeals that:**

- 17 (1) made an original determination that is the subject of a judicial
- 18 proceeding in the tax court; and
- 19 (2) is a defendant in a judicial proceeding in the tax court.

20 (b) Notwithstanding representation by the office of the attorney
 21 general, the duty of discovery is on the parties to the judicial
 22 proceeding.

23 (c) Discovery conducted under subsection (b) shall be limited to
 24 production of documents from the administrative law judge presiding
 25 over the review under IC 6-1.1-15-3. The administrative law judge
 26 shall not be summoned to testify before the tax court unless verified
 27 proof is offered to the tax court that the impartiality of the
 28 administrative law judge was compromised concerning the review.

29 (d) A township assessor, **an executive (as defined in IC 36-1-2-5)**
 30 **of a township who performs the duties of a township assessor**
 31 **under IC 36-6-5-2, a county assessor, a county auditor, a member of**
 32 **a county property tax assessment board of appeals, or a county property**
 33 **tax assessment board of appeals:**

- 34 **(1) may seek relief from the tax court to establish that the Indiana**
 35 **board of tax review rendered a decision that was:**
- 36 ~~(1)~~ **(A) an abuse of discretion;**
- 37 ~~(2)~~ **(B) arbitrary and capricious;**
- 38 ~~(3)~~ **(C) contrary to substantial or reliable evidence; or**

1 ~~(4)~~ **(D)** contrary to law; and
 2 **(2) may not be represented by the office of the attorney**
 3 **general in an action initiated under subdivision (1).**

4 SECTION 47. IC 34-6-2-38, AS AMENDED BY P.L.250-2001,
 5 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 UPON PASSAGE]: Sec. 38. (a) "Employee" and "public employee",
 7 for purposes of section 91 of this chapter, IC 34-13-2, IC 34-13-3,
 8 IC 34-13-4, and IC 34-30-14, mean a person presently or formerly
 9 acting on behalf of a governmental entity, whether temporarily or
 10 permanently or with or without compensation, including members of
 11 boards, committees, commissions, authorities, and other
 12 instrumentalities of governmental entities, volunteer firefighters (as
 13 defined in IC 36-8-12-2), and elected public officials.

14 (b) The term also includes attorneys at law whether employed by the
 15 governmental entity as employees or independent contractors and
 16 physicians licensed under IC 25-22.5 and optometrists who provide
 17 medical or optical care to confined offenders (as defined in IC 11-8-1)
 18 within the course of their employment by or contractual relationship
 19 with the department of correction. However, the term does not include:

20 (1) an independent contractor (other than an attorney at law, a
 21 physician, or an optometrist described in this section);
 22 (2) an agent or employee of an independent contractor;
 23 (3) a person appointed by the governor to an honorary advisory or
 24 honorary military position; or
 25 (4) a physician licensed under IC 25-22.5 with regard to a claim
 26 against the physician for an act or omission occurring or allegedly
 27 occurring in the physician's capacity as an employee of a hospital.

28 (c) A physician licensed under IC 25-22.5 who is an employee of a
 29 governmental entity (as defined in IC 34-6-2-49) shall be considered
 30 a public employee for purposes of IC 34-13-3-3(21).

31 **(d) For purposes of IC 34-13-3 and IC 34-13-4, the term includes**
 32 **a person that engages in an act or omission before July 1, 2004, in**
 33 **the person's capacity as:**

34 **(1) a contractor under IC 6-1.1-4-32;**
 35 **(2) an employee acting within the scope of the employee's**
 36 **duties for a contractor under IC 6-1.1-4-32;**
 37 **(3) a subcontractor of the contractor under IC 6-1.1-4-32 that**
 38 **is acting within the scope of the subcontractor's duties; or**

- 1 **(4) an employee of a subcontractor described in subdivision**
- 2 **(3) that is acting within the scope of the employee's duties.**

3 SECTION 48. IC 36-2-5-3, AS AMENDED BY P.L.198-2001,
 4 SECTION 104, IS AMENDED TO READ AS FOLLOWS
 5 [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 3. (a) The
 6 county fiscal body shall fix the compensation of officers, deputies, and
 7 other employees whose compensation is payable from the county
 8 general fund, county highway fund, county health fund, county park
 9 and recreation fund, aviation fund, or any other fund from which the
 10 county auditor issues warrants for compensation. This includes the
 11 power to:

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

17 (b) The county fiscal body shall ~~fix the annual compensation of~~
 18 **provide for** a county assessor who has attained a level two certification
 19 under IC 6-1.1-35.5 ~~at an amount that is to receive annually~~ one
 20 thousand dollars (\$1,000), ~~more than which is in addition to and not~~
 21 **part of** the annual compensation of ~~an the~~ assessor. ~~who has not~~
 22 ~~attained a level two certification.~~ The county fiscal body shall ~~fix the~~
 23 ~~annual compensation of~~ **provide for** a county or township deputy
 24 assessor who has attained a level two certification under IC 6-1.1-35.5
 25 ~~at an amount that is to receive annually~~ five hundred dollars (\$500),
 26 ~~more than which is in addition to and not part of~~ the annual
 27 compensation of ~~a the~~ county or township deputy assessor. ~~who has not~~
 28 ~~attained a level two certification.~~

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

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

37 SECTION 49. IC 36-2-5-13 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. The

1 compensation of an elected county officer may not be changed in the
 2 year for which it is fixed. The compensation of other county officers,
 3 deputies, and employees or the number of each may be changed at any
 4 time on:

- 5 (1) the application of the **county fiscal body or the** affected
 6 officer, department, commission or agency; and
- 7 (2) a ~~two-thirds (2/3)~~ **majority** vote of the county fiscal body.

8 SECTION 50. IC 36-2-9-20 IS ADDED TO THE INDIANA CODE
 9 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
 10 UPON PASSAGE]: **Sec. 20. The county auditor shall:**

11 (1) **maintain an electronic data file of the information**
 12 **contained on the tax duplicate for all:**

13 (A) **parcels; and**

14 (B) **personal property returns;**

15 **for each township in the county as of each assessment date;**

16 (2) **maintain the file in the form required by:**

17 (A) **the legislative services agency; and**

18 (B) **the department of local government finance; and**

19 (3) **transmit the data in the file with respect to the assessment**
 20 **date of each year before October 1 of the year to:**

21 (A) **the legislative services agency; and**

22 (B) **the department of local government finance."**

23 Page 18, between lines 10 and 11, begin a new paragraph and insert:

24 "SECTION 14. IC 36-7-31.3-1 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. **Except as provided**
 26 **in section 8(b) of this chapter**, this chapter applies only to a city or a
 27 county without a consolidated city that has a professional sports
 28 franchise playing the majority of its home games in a facility owned by
 29 the city, the county, a school corporation, or a board under **IC 36-9-13**,
 30 **IC 36-10-8**, **IC 36-10-10**, or **IC 36-10-11**.

31 SECTION 51. IC 36-7-31.3-4 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. As used in this
 33 chapter, "covered taxes" means **the part of** the following **taxes**
 34 **attributable to the operation of a facility designated as part of a tax**
 35 **area under section 8 of this chapter:**

36 (1) The state gross retail tax imposed under IC 6-2.5-2-1 or use
 37 tax imposed under IC 6-2.5-3-2.

38 (2) An adjusted gross income tax imposed under IC 6-3-2-1 on an

1 individual.

2 (3) A county option income tax imposed under IC 6-3.5.

3 (4) **Except in a county having a population of more than three**
 4 **hundred thousand (300,000) but less than four hundred**
 5 **thousand (400,000),** a food and beverage tax imposed under
 6 IC 6-9.

7 SECTION 52. IC 36-7-31.3-5.5 IS ADDED TO THE INDIANA
 8 CODE AS A NEW SECTION TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2002]: **Sec. 5.5. As used in this chapter,**
 10 **"designating body" means a:**

11 (1) **city legislative body; or**

12 (2) **county legislative body;**

13 **that may establish a tax area under this chapter.**

14 SECTION 53. IC 36-7-31.3-8 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 8. (a) A city or county**
 16 **legislative designating body may establish designate** as part of a
 17 professional sports and convention development area any facility that
 18 is:

19 (1) owned by the city, the county, a school corporation, or a board
 20 under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11, and
 21 used by a professional sports franchise **for practice or**
 22 **competitive sporting events;** or

23 (2) owned by the city, the county, or a board under **IC 36-9-13**,
 24 IC 36-10-8, IC 36-10-10, or IC 36-10-11, and used **as one (1) of**
 25 **the following:**

26 (A) **A facility used principally** for convention or tourism
 27 related events **servicing national or regional markets.**

28 (B) **An airport.**

29 (C) **A museum.**

30 (D) **A zoo.**

31 (E) **A facility used for public attractions of national**
 32 **significance.**

33 (F) **A performing arts venue.**

34 (G) **A county courthouse registered on the National**
 35 **Register of Historic Places.**

36 **A facility may not include a private golf course or related**
 37 **improvements.** The tax area may include only facilities described in
 38 this section and any parcel of land on which ~~the~~ a facility is located. An

1 area may contain noncontiguous tracts of land within the city, ~~or~~
2 county, **or school corporation.**

3 (b) **Except for a tax area that is located in a city having a**
4 **population of more than one hundred fifty thousand (150,000) but**
5 **less than five hundred thousand (500,000), a tax area must include**
6 **at least one (1) facility described in subsection (a)(1).**

7 (c) **A tax area may contain other facilities not owned by the**
8 **designating body if:**

9 (1) **the facility is owned by a city, the county, a school**
10 **corporation, or a board established under IC 36-9-13,**
11 **IC 36-10-8, IC 36-10-10, or IC 36-10-11; and**

12 (2) **an agreement exists between the designating body and the**
13 **owner of the facility specifying the distribution and uses of the**
14 **covered taxes to be allocated under this chapter.**

15 SECTION 54. IC 36-7-31.3-9, AS AMENDED BY P.L.174-2001,
16 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2002]: Sec. 9. (a) A tax area must be initially established by
18 resolution:

19 (1) except as provided in subdivision (2), before July 1, 1999; or

20 (2) in the case of a second class city, before July 1, ~~2002;~~ **2003;**

21 according to the procedures set forth for the establishment of an
22 economic development area under IC 36-7-14. A tax area may be
23 changed or the terms governing the tax area revised in the same manner
24 as the establishment of the initial tax area. **Only one (1) tax area may**
25 **be created in each county.**

26 (b) In establishing the tax area, the ~~city or county legislative~~
27 **designating** body must make the following findings instead of the
28 findings required for the establishment of economic development areas:

29 (1) **Except for a tax area in a city having a population of more**
30 **than one hundred fifty thousand (150,000) but less than five**
31 **hundred thousand (500,000), there is a capital improvement that**
32 **will be undertaken or has been undertaken in the tax area for a**
33 **facility that is used**

34 ~~(A)~~ by a professional sports franchise **for practice** or

35 ~~(B) for convention or tourism related events.~~ **competitive**
36 **sporting events.**

37 **A tax area to which this subdivision applies may also include**
38 **a capital improvement that will be undertaken or has been**

1 **undertaken in the tax area for a facility that is used for any**
 2 **purpose specified in section 8(a)(2) of this chapter.**

3 **(2) For a tax area in a city having a population of more than**
 4 **one hundred fifty thousand (150,000) but less than five**
 5 **hundred thousand (500,000), there is a capital improvement**
 6 **that will be undertaken or has been undertaken in the tax**
 7 **area for a facility that is used for any purpose specified in**
 8 **section 8(a) of this chapter.**

9 **(3)** The capital improvement that will be undertaken or that has
 10 been undertaken in the tax area will benefit the public health and
 11 welfare and will be of public utility and benefit.

12 ~~(2)~~ **(4)** The capital improvement that will be undertaken or that
 13 has been undertaken in the tax area will protect or increase state
 14 and local tax bases and tax revenues.

15 (c) The tax area established under this chapter is a special taxing
 16 district authorized by the general assembly to enable the designating
 17 body to provide special benefits to taxpayers in the tax area by
 18 promoting economic development that is of public use and benefit.

19 SECTION 55. IC 36-7-31.3-11 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. Upon adoption of
 21 a resolution establishing a tax area under section 10 of this chapter, the
 22 ~~city or county legislative~~ **designating** body shall submit the resolution
 23 to the budget committee for review and recommendation to the budget
 24 agency.

25 SECTION 56. IC 36-7-31.3-13 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. When the ~~city or~~
 27 ~~county legislative~~ **designating** body adopts an allocation provision, the
 28 county auditor shall notify the department by certified mail of the
 29 adoption of the provision and shall include with the notification a
 30 complete list of the following:

- 31 (1) Employers in the tax area.
 32 (2) Street names and the range of street numbers of each street in
 33 the tax area.

34 The county auditor shall update the list before July 1 of each year.

35 SECTION 57. IC 36-7-31.3-17 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17. The department
 37 shall notify the county auditor of the amount of taxes to be distributed
 38 to the county treasurer. **For tax areas described in section 8(c) of this**

1 **chapter, the department shall notify the county auditor of the**
 2 **amount of taxes to be distributed to each party to the agreement.**
 3 **The notice must specify the distribution and uses of covered taxes**
 4 **to be allocated under this chapter.**

5 SECTION 58. IC 36-7-31.3-19 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 19. The resolution
 7 establishing the tax area must designate the use of the funds. The funds
 8 are to be used only for **the following:**

9 (1) **Except in a tax area in a city having a population of more**
 10 **than one hundred fifty thousand (150,000) but less than five**
 11 **hundred thousand (500,000), a capital improvement that will**
 12 **construct or equip a facility**

13 ~~(A) owned by the city, the county, a school corporation, or a board~~
 14 ~~under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and~~
 15 ~~used by a professional sports franchise or~~

16 ~~(B) for practice or competitive sporting events. In a tax area~~
 17 ~~to which this subdivision applies, funds may also be used for~~
 18 ~~a capital improvement that will construct or equip a facility~~
 19 ~~owned by the city, the county, or a board under IC 36-9-13,~~
 20 ~~IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for convention~~
 21 ~~and tourism related events; or any purpose specified in section~~
 22 ~~8(a)(2) of this chapter.~~

23 (2) **In a city having a population of more than one hundred**
 24 **fifty thousand (150,000) but less than five hundred thousand**
 25 **(500,000), a capital improvement that will construct or equip**
 26 **a facility owned by the city, the county, a school corporation,**
 27 **or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or**
 28 **IC 36-10-11 and used for any purpose specified in section 8(a)**
 29 **of this chapter.**

30 (3) The financing or refinancing of a capital improvement
 31 described in subdivision (1) **or (2)** or the payment of lease
 32 payments for a capital improvement described in subdivision (1)
 33 **or (2).**

34 SECTION 59. IC 36-7-31.3-20 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 20. The ~~city or county~~
 36 ~~legislative designating~~ body shall repay to the professional sports
 37 development area fund any amount that is distributed to the ~~city or~~
 38 ~~county legislative designating~~ body and used for:

- 1 (1) a purpose that is not described in this chapter; or
 2 (2) a facility or facility site other than the facility and facility site
 3 to which covered taxes are designated under the resolution
 4 described in section 10 of this chapter.

5 The department shall distribute the covered taxes repaid to the
 6 professional sports development area fund under this section
 7 proportionately to the funds and the political subdivisions that would
 8 have received the covered taxes if the covered taxes had not been
 9 allocated to the tax area under this chapter."

10 Page 19, between lines 28 and 29, begin a new paragraph and insert:
 11 "SECTION 39. THE FOLLOWING ARE REPEALED
 12 [EFFECTIVE UPON PASSAGE]: IC 6-1.1-4-13.6; IC 6-1.1-4-13.8;
 13 IC 6-1.1-33; IC 6-1.1-38.

14 SECTION 60. P.L.198-2001, SECTION 117, IS AMENDED TO
 15 READ AS FOLLOWS [EFFECTIVE JULY 1, 2001
 16 (RETROACTIVE)]: SECTION 117. (a) IC 6-1.1-15-3 and
 17 IC 6-1.1-15-4, both as amended by ~~this act~~; **P.L.198-2001**, apply to
 18 petitions for review filed under IC 6-1.1-15-3, as amended by ~~this act~~;
 19 **P.L.198-2001**, with respect to notices of action of the county property
 20 tax assessment board of appeals issued after December 31, 2001.

21 (b) IC 6-1.1-15-5 and IC 6-1.1-15-6, both as amended by ~~this act~~;
 22 **P.L.198-2001**, apply to petitions for judicial review of final
 23 determinations issued under IC 6-1.1-15-4, as amended by ~~this act~~;
 24 **P.L.198-2001**, after December 31, 2001.

25 (c) Petitions for review filed under IC 6-1.1-15-3 with respect to
 26 notices of action of the county property tax assessment board of appeals
 27 issued before January 1, 2002, that are pending before the state board
 28 of tax commissioners on December 31, 2001:

- 29 (1) are transferred to the Indiana board of tax review; and
 30 (2) are subject to the law in effect before amendments under ~~this~~
 31 ~~act~~; **P.L.198-2001**.

32 The state board of tax commissioners shall transfer to the Indiana board
 33 of tax review by January 1, 2002, the records relating to each petition
 34 for review referred to in this subsection.

35 (d) **Except as provided in subsection (e)**, appeals initiated under
 36 IC 6-1.1-15-5 of final determinations of the state board of tax
 37 commissioners issued before January 1, 2002, are subject to the law in
 38 effect before amendments under ~~this act~~; **P.L.198-2001**.

1 (e) Appeals initiated under IC 6-1.1-15-5 of final determinations
 2 of the state board of tax commissioners issued after June 30, 2001,
 3 and before January 1, 2002, are subject to IC 33-3-5-14.7, as added
 4 by P.L.198-2001.

5 (f) IC 33-3-5-14, as amended by this act, P.L.198-2001, and
 6 IC 33-3-5-14.2, IC 33-3-5-14.5, and IC 33-3-5-14.8, all as added by this
 7 act, P.L.198-2001, apply to appeals initiated under IC 6-1.1-15-5, as
 8 amended by this act, P.L.198-2001, of final determinations of the
 9 Indiana board of tax review issued after December 31, 2001.

10 (f) (g) The following, each as amended by this act, P.L.198-2001,
 11 apply to refunds on refund claims filed after December 31, 2001:

12 IC 6-1.1-26-2

13 IC 6-1.1-26-3

14 IC 6-1.1-26-4

15 IC 6-1.1-26-5.

16 SECTION 61. [EFFECTIVE UPON PASSAGE] **The appointment**
 17 **by the governor of the commissioner of the department of local**
 18 **government finance before the effective date of this act is legalized**
 19 **and validated as if the appointment had been made on or after the**
 20 **effective date of this act."**

21 Page 20, between lines 8 and 9, begin a new paragraph and insert:

22 "SECTION 34. [EFFECTIVE UPON PASSAGE] (a)
 23 **Notwithstanding IC 6-3.5-1.1-3, the county council of a county**
 24 **described in IC 6-3.5-1.1-2.8, as added by this act, may adopt an**
 25 **ordinance to increase the county's adjusted gross income tax rate**
 26 **after March 31, 2002, and before September 20, 2002.**

27 (b) **Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under**
 28 **subsection (a) takes effect January 1, 2003.**

29 (c) **This SECTION expires January 2, 2003.**

30 SECTION 62. [EFFECTIVE UPON PASSAGE] (a) **As used in this**
 31 **SECTION, "department" refers to the department of state**
 32 **revenue.**

33 (b) **Notwithstanding IC 6-3.5-1.1-3, the county council of a**
 34 **county described in IC 6-3.5-1.1-2.9, as added by this act, may**
 35 **adopt an ordinance to increase the county's county adjusted gross**
 36 **income tax rate after March 31, 2002, and before September 20,**
 37 **2002.**

38 (c) **Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under**

1 **this SECTION before June 1, 2002, takes effect July 1, 2002. In**
2 **determining the certified distribution for the calendar year**
3 **beginning January 1, 2003, as required under IC 6-3.5-1.1-9 to be**
4 **performed before July 2, 2002, for a county adopting an ordinance**
5 **within the time specified in this subsection, the department shall**
6 **take into account the certified ordinance forwarded to the**
7 **department under IC 6-3.5-1.1-3(c) in determining the amount of**
8 **the county's certified distribution for the calendar year beginning**
9 **January 1, 2003.**

10 **(d) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under**
11 **this SECTION after May 31, 2002, takes effect January 1, 2003.**
12 **Not later than thirty (30) days after receiving the certified**
13 **ordinance under IC 6-3.5-1.1-3(c) from a county adopting an**
14 **ordinance within the time specified in this subsection, the**
15 **department shall revise the county's certified distribution**
16 **determined under IC 6-3.5-1.1-9 for the calendar year beginning**
17 **January 1, 2003, to take into account the increased county adjusted**
18 **gross income tax rate specified in the certified ordinance.**
19 **Notwithstanding IC 6-3.5-1.1-10, as amended by this act, the first**
20 **distribution reflecting the increased county adjusted gross income**
21 **tax rate shall be made to the county treasurer beginning November**
22 **1, 2003.**

23 **(e) This SECTION expires January 1, 2004.**

24 **SECTION 63. [EFFECTIVE UPON PASSAGE] (a) As used in**
25 **this SECTION, "department" refers to the department of state**
26 **revenue.**

27 **(b) Notwithstanding IC 6-3.5-1.1-3, the county council of a**
28 **county described in IC 6-3.5-1.1-3.6, as added by this act, may**
29 **adopt an ordinance to increase the county's county adjusted gross**
30 **income tax rate after March 31, 2002, and before September 20,**
31 **2002.**

32 **(c) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under**
33 **this SECTION before June 1, 2002, takes effect July 1, 2002. In**
34 **determining the certified distribution for the calendar year**
35 **beginning January 1, 2003, as required under IC 6-3.5-1.1-9 to be**
36 **performed before July 2, 2002, for a county adopting an ordinance**
37 **within the time specified in this subsection, the department shall**
38 **take into account the certified ordinance forwarded to the**

1 department under IC 6-3.5-1.1-3(c) in determining the amount of
 2 the county's certified distribution for the calendar year beginning
 3 January 1, 2003.

4 (d) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under
 5 this SECTION after May 31, 2002, takes effect January 1, 2003.
 6 Not later than thirty (30) days after receiving the certified
 7 ordinance under IC 6-3.5-1.1-3(c) from a county adopting an
 8 ordinance within the time specified in this subsection, the
 9 department shall revise the county's certified distribution
 10 determined under IC 6-3.5-1.1-9 for the calendar year beginning
 11 January 1, 2003, to take into account the increased county adjusted
 12 gross income tax rate specified in the certified ordinance.
 13 Notwithstanding IC 6-3.5-1.1-10, as amended by this act, the first
 14 distribution reflecting the increased county adjusted gross income
 15 tax rate shall be made to the county treasurer beginning November
 16 1, 2003.

17 (e) This SECTION expires January 1, 2004.

18 SECTION 64. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-10-21,
 19 as amended by this act, applies only to property taxes first due and
 20 payable after December 31, 2002.

21 (b) This SECTION expires January 1, 2004."

22 Renumber all SECTIONS consecutively.

(Reference is to HB 1196 as introduced, and as amended by the
 consent of the House Ways and Means Committee on January 29,
 2002.)

and when so amended that said bill do pass.

Representative Bauer