
HOUSE BILL No. 1257

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-10-16.7; IC 36-3-2-3; IC 36-3-2-11.

Synopsis: Indianapolis administration. Allows the Indianapolis City-County Council to negotiate with property owners the amount of payments in lieu of taxes (PILOTS) charged to properties that are exempt from property taxation because the properties are used to provide housing for low income persons under the federal low income housing tax credit program. Provides that the PILOTS may not exceed the amount of property taxes that would have been imposed if the properties were not subject to an exemption. Authorizes the legislative body of a consolidated city to expand the territory of a police special service district by ordinance if it determines that reasonable and adequate police protection can be provided within the additional territory through mutual assistance and cooperation with other law enforcement agencies. Reconciles conflicts within the low income housing program property tax exemption statute.

Effective: Upon passage; July 1, 2002.

Crawford

January 14, 2002, read first time and referred to Committee on Public Policy, Ethics and Veterans Affairs.

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Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

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HOUSE BILL No. 1257



A BILL FOR AN ACT to amend the Indiana Code concerning local government.

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

1 SECTION 1. IC 6-1.1-10-16.7, AS AMENDED BY P.L.185-2001,
2 SECTION 1, AS AMENDED BY P.L.186-2001, SECTION 2, AND
3 AS AMENDED BY P.L.291-2001, SECTION 195, IS AMENDED
4 AND CORRECTED TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2002]: Sec. 16.7. Real property is exempt from property taxation if:
6 (1) the real property is located within:
7 (A) a county containing a consolidated city; or
8 (B) a county having a population of more than thirty-eight
9 thousand five hundred (38,500) but less than thirty-nine
10 thousand (39,000);
11 (2) the real property is owned by an Indiana corporation;
12 (3) (1) the improvements on the real property were constructed,
13 rehabilitated, or acquired for the purpose of providing housing to
14 income eligible persons under the federal low income housing tax
15 credit program under 26 U.S.C. 42;
16 (4) (2) the real property is subject to an extended use agreement
17 under 26 U.S.C. 42 as administered by the Indiana housing



1 finance authority; and

2 ~~(5)~~ (3) the owner of the property has entered into an agreement to
 3 make payments in lieu of taxes under *IC 36-1-8-14.2*, ~~or~~
 4 *IC 36-2-6-22*, or *IC 36-3-2-11*.

5 SECTION 2. IC 36-3-2-3 IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A special service district
 7 of the consolidated city:

8 (1) may sue and be sued;

9 (2) may exercise powers of the consolidated city to the extent that
 10 those powers are delegated to it by law, but may not issue bonds;
 11 and

12 (3) shall provide services to property owners only in the district,
 13 unless a law provides otherwise.

14 (b) A special service district or special taxing district shall be
 15 administered under the jurisdiction of a department of the consolidated
 16 city. The territory of a special service district or special taxing district
 17 may be expanded, in the manner prescribed by law, to include territory
 18 inside the county that is not originally included in the district. The
 19 city-county legislative body may, by ordinance, expand the territory of
 20 a special service district, subject to the following conditions:

21 (1) In the case of the fire district, the ordinance may not be
 22 considered unless a petition to include additional territory in the
 23 district is first submitted to the metropolitan development
 24 commission for study and recommendation. The petition must be
 25 signed by a majority of the landowners, or by owners of land
 26 amounting to seventy-five percent (75%) in assessed valuation, in
 27 the proposed additional territory. After receiving the petition, the
 28 metropolitan development commission shall make findings of fact
 29 and recommendations and serve copies of these on the fire chief,
 30 the executive of each township affected, and the petitioners at
 31 least thirty (30) days before a public hearing before the legislative
 32 body. After the public hearing, the legislative body may pass the
 33 ordinance only if it determines:

34 (A) that reasonable and adequate fire protection service can be
 35 provided within the additional territory by the consolidated
 36 city; and

37 (B) that expansion of the district is in the public interest.

38 (2) In the case of the police district, the legislative body must hold
 39 a public hearing and then may pass the ordinance only if it
 40 determines:

41 (A) that reasonable and adequate police protection can be
 42 provided within the additional territory:

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1 (i) by the consolidated city; or

2 (ii) through mutual assistance and cooperation with
3 other law enforcement agencies; and

4 (B) that expansion of the district is in the public interest.

5 (3) In the case of the solid waste collection district, the ordinance
6 may not be considered unless a petition to include additional
7 territory in the district is first submitted to the works board for
8 study and recommendation. The petition must be signed by at
9 least ten (10) interested residents in the proposed additional
10 territory. After receiving the petition, the works board shall set a
11 date for a public hearing, publish notice of the hearing in
12 accordance with IC 5-3-1, and upon hearing the matter determine
13 whether the territory should be added to the district. If the works
14 board recommends that the territory should be added to the
15 district, the legislative body must hold a public hearing and then
16 may pass the ordinance. Territory in the solid waste collection
17 district may also be removed from the district in the manner
18 prescribed by this subdivision.

19 SECTION 3. IC 36-3-2-11, AS AMENDED BY P.L.186-2001,
20 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 2002]: Sec. 11. (a) As used in this section, the following terms
22 have the meanings set forth in IC 6-1.1-1:

- 23 (1) Assessed value.
24 (2) Exemption.
25 (3) Owner.
26 (4) Person.
27 (5) Property taxation.
28 (6) Real property.
29 (7) Township assessor.

30 (b) As used in this section, "PILOTS" means payments in lieu of
31 taxes.

32 (c) As used in this section, "property owner" means the owner of
33 real property described in IC 6-1.1-10-16.7 that is located in a county

34 ~~(1) with a consolidated city. or~~

35 ~~(2) having a population of more than thirty-eight thousand five~~
36 ~~hundred (38,500) but less than thirty-nine thousand (39,000).~~

37 (d) Subject to the approval of a property owner, the legislative body
38 of the consolidated city may adopt an ordinance to require the property
39 owner to pay PILOTS at times set forth in the ordinance with respect
40 to real property that is subject to an exemption under IC 6-1.1-10-16.7.
41 The ordinance remains in full force and effect until repealed or
42 modified by the legislative body, subject to the approval of the property

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1 owner.

2 (e) The PILOTS must be calculated so that the PILOTS are in an
3 amount **that is:**

4 **(1) agreed upon by the property owner and the legislative**
5 **body of the consolidated city;**

6 **(2) a percentage of the property taxes that would have been**
7 **levied by the legislative body for the consolidated city and the**
8 **county upon the real property described in subsection (d) if**
9 **the property were not subject to an exemption from property**
10 **taxation; and**

11 **(3) equal to not more than** the amount of property taxes that
12 would have been levied by the legislative body for the
13 consolidated city and county upon the real property described in
14 subsection (d) if the property were not subject to an exemption
15 from property taxation.

16 (f) PILOTS shall be imposed as are property taxes and shall be
17 based on the assessed value of the real property described in subsection
18 (d). The township assessors shall assess the real property described in
19 subsection (d) as though the property were not subject to an exemption.

20 (g) PILOTS collected under this section shall be deposited in the
21 housing trust fund established under IC 36-7-15.1-35.5 and used for
22 any purpose for which the housing trust fund may be used.

23 (h) PILOTS shall be due as set forth in the ordinance and bear
24 interest, if unpaid, as in the case of other taxes on property. PILOTS
25 shall be treated in the same manner as taxes for purposes of all
26 procedural and substantive provisions of law.

27 **SECTION 4. [EFFECTIVE JULY 1, 2002] IC 36-3-2-11, as**
28 **amended by this act, applies to PILOTS first due and payable after**
29 **December 31, 2002.**

30 **SECTION 5. An emergency is declared for this act.**

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