
HOUSE BILL No. 1262

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 6-3.5; IC 36-1-3-8.

Synopsis: Levy freeze and fiscal home rule. Freezes county, city, and town property tax levies at 2002 levels. Provides that property taxes for bonded indebtedness are exempt from the levy freeze. Provides for property tax replacement in allocation areas. Limits the petition and remonstrance procedure to contest public construction projects to school construction projects. Authorizes tax rates exceeding statutory limits for CAGIT, COIT, and CEDIT if the increases are approved in a referendum. Extends home rule for counties, cities, and towns to taxation. Authorizes fee increases that exceed program costs. Repeals statutes applying only to counties, cities, or towns within the civil government property tax control law.

Effective: July 1, 2002.

Bodiker

January 14, 2002, read first time and referred to Committee on Ways and Means.

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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. 1262



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

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

- 1 SECTION 1. IC 6-1.1-18.1 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2002]:
- 4 **Chapter 18.1. County, City, and Town Property Tax Controls**
- 5 **Sec. 1. This chapter applies only to a taxing unit that is a county,**
- 6 **city, or town.**
- 7 **Sec. 2. (a) Beginning with property taxes first due and payable**
- 8 **after December 31, 2002, the maximum permissible ad valorem**
- 9 **property tax levy imposed by a county, city, or town is equal to:**
- 10 **(1) the total amount of the ad valorem property taxes imposed**
- 11 **by the county, city, or town for property taxes first due and**
- 12 **payable in 2002; minus**
- 13 **(2) the portion of the ad valorem property taxes imposed by**
- 14 **the county, city, or town in 2002 to pay or fund bonded**
- 15 **indebtedness or lease rentals under a lease with an original**
- 16 **term of at least five (5) years.**
- 17 **(b) A county, city, or town may not increase its maximum**



1 permissible ad valorem property tax levy unless the voters of the
2 county, city, or town approve the increase in a referendum held
3 under section 4 of this chapter.

4 **Sec. 3. (a) The maximum permissible ad valorem property tax**
5 **levy imposed by section 2 of this chapter does not apply to ad**
6 **valorem property taxes imposed by a county, city, or town to pay**
7 **or fund either:**

8 (1) bonded indebtedness; or

9 (2) lease rentals under a lease with an original term of at least
10 five (5) years.

11 (b) Before a county, city, or town may incur bonded
12 indebtedness or enter into a lease with an original term of at least
13 five (5) years, the county, city, or town must request and obtain
14 approval from the department of local government finance to incur
15 the bonded indebtedness or execute the lease. The department of
16 local government finance may seek recommendations from the
17 local government tax control board established by IC 6-1.1-18.5-11
18 when determining whether to authorize incurring the bonded
19 indebtedness or the execution of the lease.

20 (c) The department of local government finance shall render a
21 decision not more than three (3) months after the date it receives
22 a request for approval under subsection (b). However, the
23 department of local government finance may extend the three (3)
24 month period by an additional three (3) months if, at least ten (10)
25 days before the end of the original three (3) month period, the
26 department sends notice of the extension to the executive officer of
27 the county, city, or town.

28 (d) A county, city, or town does not need approval under
29 subsection (b) to obtain temporary loans made in anticipation of,
30 and to be paid from, current revenues of the county, city, or town
31 actually levied and in the course of collection for the fiscal year in
32 which the loans are made.

33 **Sec. 4. (a) The fiscal body of a county, city, or town that wishes**
34 **to make an excessive tax levy for an ensuing calendar year may**
35 **make the excessive tax levy if a majority of the individuals who**
36 **vote in a referendum that is conducted under this section approves**
37 **the excessive tax levy for the ensuing calendar year.**

38 (b) The question to be submitted to the voters in the referendum
39 must read as follows:

40 "For the calendar year immediately following the holding of
41 the referendum, shall _____ (insert the name of
42 the county, city, or town) impose a property tax levy that does

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1 not exceed _____ (insert amount) dollars (\$0.____)
 2 (insert amount) that is in addition to the maximum
 3 permissible ad valorem property tax levy of _____
 4 (insert the name of the county, city, or town) under
 5 IC 6-1.1-18.1-2?".

6 (c) The fiscal body shall act under IC 3-10-9-3 to certify the
 7 question to be voted on at the referendum to the county election
 8 board of the county. In the case of a city or town, the fiscal body
 9 shall certify the question to the county election board of each
 10 county in which any part of the city or town is located. Each county
 11 clerk shall, upon receiving the certified question, call a meeting of
 12 the county election board to make arrangements for the
 13 referendum.

14 (d) The referendum shall be held in the next primary or general
 15 election in which the residents of the county, city, or town are
 16 entitled to vote after certification of the question under
 17 IC 3-10-9-3. However, if the referendum would be held at a
 18 primary or general election more than six (6) months after
 19 certification by the fiscal body, the referendum shall be held at a
 20 special election to be conducted not less than sixty (60) days after
 21 the question is certified to the circuit court clerk or clerks by the
 22 fiscal body. The fiscal body shall advise each affected county
 23 election board of the date on which the fiscal body desires that the
 24 referendum be held, and, if practicable, the referendum shall be
 25 held on the day specified by the fiscal body.

26 (e) The referendum shall be held under the direction of the
 27 county election board, which shall take all steps necessary to carry
 28 out the referendum. Not less than ten (10) days before the date on
 29 which the referendum is to be held, the county election board shall
 30 cause notice of the question that is to be voted upon at the
 31 referendum to be published in accordance with IC 5-3-1. If the
 32 referendum is not conducted at a primary or general election, the
 33 county, city, or town in which the referendum is to be held shall
 34 pay all the costs of holding the referendum.

35 (f) Each county election board shall cause the question certified
 36 to the circuit court clerk by the fiscal body to be placed on the
 37 ballot in the form prescribed by IC 3-10-9-4. The county election
 38 board shall also cause an adequate supply of ballots and voting
 39 equipment to be delivered to the precinct election board of each
 40 precinct in which the referendum is to be held.

41 (g) The individuals entitled to vote in the referendum are all of
 42 the registered voters residing in the county, city, or town seeking

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1 approval for the excessive levy.

2 (h) Each precinct election board shall count the affirmative
 3 votes and the negative votes cast in the referendum and shall
 4 certify the two (2) totals to the county election board of each
 5 county in which the referendum is held. The circuit court clerk of
 6 each county shall, immediately after the votes cast in the
 7 referendum have been counted, certify the results of the
 8 referendum to the county auditor. Upon receiving the certification
 9 of all of the votes cast in the referendum, the county auditor shall
 10 promptly certify the result of the referendum to the department of
 11 local government finance. If a majority of the individuals who
 12 voted in the referendum cast an affirmative vote on the
 13 referendum question, the department of local government finance,
 14 upon being notified in the manner described in this subsection of
 15 the result of the referendum, shall take prompt and appropriate
 16 steps to notify the fiscal body of the county, city, or town that the
 17 fiscal body is authorized to collect, for the calendar year that next
 18 follows the calendar year in which the referendum is held, an
 19 excessive tax levy not greater than the amount approved in the
 20 referendum. The excessive tax levy shall become the new maximum
 21 permissible ad valorem property tax levy for the calendar year
 22 following the referendum for the county, city, or town in which the
 23 referendum is held, unless the question upon which the voters
 24 voted at the referendum has been framed to preclude the excessive
 25 tax levy from becoming the new maximum permissible ad valorem
 26 property tax levy of the county, city, or town. If a majority of the
 27 persons who voted in the referendum did not cast an affirmative
 28 vote on the referendum question, the county, city, or town may not
 29 impose a levy in excess of the maximum permissible ad valorem
 30 property tax levy determined under section 2 of this chapter.

31 SECTION 2. IC 6-1.1-18.2 IS ADDED TO THE INDIANA CODE
 32 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2002]:

34 **Chapter 18.2. Replacement of County, City, and Town Levies in**
 35 **Allocation Areas**

36 **Sec. 1. As used in this chapter, "allocation area" refers to an**
 37 **area that is established under the authority of any of the following**
 38 **statutes and in which tax increment revenues are collected:**

- 39 (1) IC 6-1.1-39.
 40 (2) IC 8-22-3.5.
 41 (3) IC 36-7-14.
 42 (4) IC 36-7-14.5.

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1 (5) IC 36-7-15.1.

2 (6) IC 36-7-30.

3 Sec. 2. As used in this chapter, "base assessed value" means the
4 base assessed value as that term is defined in IC 6-1.1-39-5(h),
5 IC 8-22-3.5-9(a), IC 36-7-14-39(a), IC 36-7-15.1-26(a),
6 IC 36-7-15.1-35(a), or IC 36-7-30-25(a)(2).

7 Sec. 3. As used in this chapter, "governing body" means the
8 following:

9 (1) For an allocation area created under IC 6-1.1-39, the fiscal
10 body of the county (as defined in IC 36-1-2-6).

11 (2) For an allocation area created under IC 8-22-3.5, the
12 commission (as defined in IC 8-22-3.5-2).

13 (3) For an allocation area created under IC 36-7-14, the
14 redevelopment commission of the unit.

15 (4) For an allocation area created under IC 36-7-14.5, the
16 authority created by the unit.

17 (5) For an allocation area created under IC 36-7-15.1, the
18 metropolitan development commission of the consolidated
19 city.

20 (6) For an allocation area created under IC 36-7-30, the
21 military base reuse authority.

22 Sec. 4. (a) As used in this chapter, "obligation" means an
23 obligation to repay:

24 (1) the principal and interest on bonds;

25 (2) lease rentals on leases; or

26 (3) any other contractual obligation;

27 payable from tax increment revenues.

28 (b) The term includes a guarantee of repayment from tax
29 increment revenues if other revenues are insufficient to make a
30 payment.

31 Sec. 5. As used in this chapter, "property taxes" means:

32 (1) property taxes, as defined in IC 6-1.1-39-5(g),
33 IC 36-7-14-39(a), IC 36-7-15.1-26(a), and IC 36-7-30-25(a)(3);

34 or

35 (2) for allocation areas created under IC 8-22-3.5, the taxes
36 assessed on taxable tangible property in the allocation area.

37 Sec. 6. As used in this chapter, "replacement amount" means
38 the sum of the property taxes imposed on the assessed value of
39 property in the allocation area that exceeds the base assessed value
40 in 2002 for:

41 (1) the county; and

42 (2) the city or town in which the allocation area is located.

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1 **Sec. 7. As used in this chapter, "tax increment revenues" means**
 2 **the property taxes attributable to the assessed value of property**
 3 **that exceeds the base assessed value.**

4 **Sec. 8. (a) This chapter applies to an allocation area in which:**
 5 **(1) the holders of obligations received a pledge before July 1,**
 6 **2002, of tax increment revenues to repay any part of the**
 7 **obligations due after December 31, 2002; and**
 8 **(2) the freezing of county, city, and town property tax levies**
 9 **adversely affects the ability of the governing body to repay the**
 10 **obligations described in subdivision (1).**

11 **(b) A governing body may use one (1) or more of the procedures**
 12 **described in sections 9 through 11 of this chapter to provide**
 13 **sufficient funds to repay the obligations described in subsection (a).**
 14 **The amount raised each year may not exceed the replacement**
 15 **amount.**

16 **Sec. 9. (a) A governing body may, after a public hearing, impose**
 17 **a special assessment on the owners of property that is located in an**
 18 **allocation area to repay a bond or an obligation described in**
 19 **section 8 of this chapter that comes due after December 31, 2002.**
 20 **The amount of a special assessment for a taxpayer shall be**
 21 **determined by multiplying the replacement amount by a fraction,**
 22 **the denominator of which is the total incremental assessed value in**
 23 **the allocation area, and the numerator of which is the incremental**
 24 **assessed value of the taxpayer's property in the allocation area.**

25 **(b) Before a public hearing under subsection (a) may be held,**
 26 **the governing body must publish notice of the hearing under**
 27 **IC 5-3-1. The notice must state that the governing body will meet**
 28 **to consider whether a special assessment should be imposed under**
 29 **this chapter and whether the special assessment will help the**
 30 **governing body realize the redevelopment or economic**
 31 **development objectives for the allocation area or honor its**
 32 **obligations related to the allocation area. The notice must also**
 33 **name a date when the governing body will receive and hear**
 34 **remonstrances and objections from persons affected by the special**
 35 **assessment. All persons affected by the hearing, including all**
 36 **taxpayers within the allocation area, shall be considered notified of**
 37 **the pendency of the hearing and of subsequent acts, hearings, and**
 38 **orders of the governing body by the notice. At the hearing, which**
 39 **may be adjourned periodically, the governing body shall hear all**
 40 **persons affected by the proceedings and shall consider all written**
 41 **remonstrances and objections that have been filed. The only**
 42 **grounds for remonstrance or objection are that the special**

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1 assessment will not help the governing body realize the
 2 redevelopment or economic development objectives for the
 3 allocation area or honor its obligations related to the allocation
 4 area. After considering the evidence presented, the governing body
 5 shall take final action concerning the proposed special assessment.
 6 The final action taken by the governing body shall be recorded and
 7 is final and conclusive, except that an appeal may be taken in the
 8 manner prescribed by subsection (c).

9 (c) A person who files a written remonstrance with a governing
 10 body under subsection (b) and is aggrieved by the final action
 11 taken may, not later than ten (10) days after that final action, file
 12 in the office of the clerk of the circuit or superior court a copy of
 13 the order of the governing body and the person's remonstrance or
 14 objection against the final action, together with a bond conditioned
 15 to pay the costs of appeal if the appeal is determined against the
 16 person. The only ground of remonstrance or objection that the
 17 court may hear is whether the proposed assessment will help
 18 achieve the redevelopment of economic development objectives for
 19 the allocation area or honor its obligations related to the allocation
 20 area. An appeal under this subsection shall be promptly heard by
 21 the court without a jury. All remonstrances or objections upon
 22 which an appeal has been taken must be consolidated, heard, and
 23 determined within thirty (30) days after the time of the filing of the
 24 appeal. The court shall hear evidence on the remonstrances or
 25 objections and may confirm the final action of the governing body
 26 or sustain the remonstrances or objections. The judgment of the
 27 court is final and conclusive, unless an appeal is taken as in other
 28 civil actions.

29 (d) The maximum amount of a special assessment under this
 30 section may not exceed the replacement amount.

31 (e) A special assessment shall be imposed and collected in the
 32 same manner as ad valorem property taxes are imposed and
 33 collected.

34 Sec. 10. (a) For purposes of this section, "additional credit"
 35 means:

- 36 (1) for allocation areas created under IC 6-1.1-39, the
 37 additional credit described in IC 6-1.1-39-6(a);
- 38 (2) for allocation areas created under IC 8-22-3.5, the
 39 additional credit described in IC 8-22-3.5-10(a);
- 40 (3) for allocation areas created under IC 36-7-14, the
 41 additional credit described in IC 36-7-14-39.5(c);
- 42 (4) for allocation areas created under IC 36-7-14.5, the

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1 additional credit described in IC 36-7-14.5-12.5(d)(5);

2 (5) for allocation areas created under IC 36-7-15.1:

3 (A) the additional credit described in IC 36-7-15.1-26.5(e);

4 or

5 (B) the credit described in IC 36-7-15.1-35(d); or

6 (6) for allocation areas created under IC 36-7-30, the
7 additional credit described in IC 36-7-30-25(b)(2)(E).

8 (b) In order to raise the replacement amount, the governing
9 body of each allocation area may deny all or a part of the
10 additional credit.

11 Sec. 11. If a governing body does not impose a special
12 assessment under section 9 of this chapter or deny all or part of the
13 additional credit under section 10 of this chapter, the governing
14 body may, in order to provide sufficient funds to repay the
15 obligations described in section 8(a) of this chapter, use any tax
16 increment revenues that exceed:

17 (1) the amount pledged to pay the principal and interest of
18 obligations; and

19 (2) any amounts used to provide debt service reserve for
20 obligations payable solely or in part from tax increment
21 revenues or from other revenues.

22 SECTION 3. IC 6-1.1-18.5-0.5 IS ADDED TO THE INDIANA
23 CODE AS A NEW SECTION TO READ AS FOLLOWS
24 [EFFECTIVE JULY 1, 2002]: **Sec. 0.5. Beginning with property
25 taxes first due and payable after December 31, 2002, this chapter
26 does not apply to a county, city, or town.**

27 SECTION 4. IC 6-1.1-18.5-1, AS AMENDED BY P.L.198-2001,
28 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JULY 1, 2002]: Sec. 1. As used in this chapter:

30 "Ad valorem property tax levy for an ensuing calendar year" means
31 the total property taxes imposed by a civil taxing unit for current
32 property taxes collectible in that ensuing calendar year.

33 "Adopting county" means any county in which the county adjusted
34 gross income tax is in effect.

35 "Civil taxing unit" means any taxing unit except a school
36 corporation, **county, city, or town.**

37 "Maximum permissible ad valorem property tax levy for the
38 preceding calendar year" means the greater of:

39 (1) the civil taxing unit's maximum permissible ad valorem
40 property tax levy for the calendar year immediately preceding the
41 ensuing calendar year, as that levy was determined under section
42 3 of this chapter; or

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1 (2) the civil taxing unit's ad valorem property tax levy for the
 2 calendar year immediately preceding the ensuing calendar year,
 3 as that levy was determined by the department of local
 4 government finance in fixing the civil taxing unit's budget, levy,
 5 and rate for that preceding calendar year under IC 6-1.1-17.

6 "Taxable property" means all tangible property that is subject to the
 7 tax imposed by this article and is not exempt from the tax under
 8 IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this
 9 chapter, the term "taxable property" is further defined in section 6 of
 10 this chapter.

11 "Unadjusted assessed value" means the assessed value of a civil
 12 taxing unit as determined by local assessing officials and the
 13 department of local government finance in a particular calendar year
 14 before the application of an annual adjustment under IC 6-1.1-4-4.5 for
 15 that particular calendar year or any calendar year since the last general
 16 reassessment preceding the particular calendar year.

17 SECTION 5. IC 6-1.1-18.5-3, AS AMENDED BY P.L.151-2001,
 18 SECTION 4, AND AS AMENDED BY P.L.198-2001, SECTION 53,
 19 IS AMENDED AND CORRECTED TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) Except as otherwise provided
 21 in this chapter *and IC 6-3.5-8-12*, a civil taxing unit that is treated as
 22 not being located in an adopting county under section 4 of this chapter
 23 may not impose an ad valorem property tax levy for an ensuing
 24 calendar year that exceeds the amount determined in the last STEP of
 25 the following STEPS:

26 STEP ONE: Add the civil taxing unit's maximum permissible ad
 27 valorem property tax levy for the preceding calendar year to the
 28 part of the civil taxing unit's certified share, if any, that was used
 29 to reduce the civil taxing unit's ad valorem property tax levy under
 30 STEP EIGHT of subsection (b) for that preceding calendar year.

31 STEP TWO: Multiply the amount determined in STEP ONE by
 32 the amount determined in *either* the last STEP of section ~~2~~ 2(a)
 33 of this chapter *for calendar years ending before January 1, 2006,*
 34 *or the last STEP of section 2(b) of this chapter for calendar years*
 35 *beginning after December 31, 2005.*

36 STEP THREE: Determine the lesser of one and fifteen hundredths
 37 (1.15) or the quotient (rounded to the nearest ten-thousandth), of
 38 the assessed value of all taxable property subject to the civil
 39 taxing unit's ad valorem property tax levy for the ensuing calendar
 40 year, divided by the assessed value of all taxable property that is
 41 subject to the civil taxing unit's ad valorem property tax levy for
 42 the ensuing calendar year and that is contained within the

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1 geographic area that was subject to the civil taxing unit's ad
2 valorem property tax levy in the preceding calendar year.

3 STEP FOUR: Determine the greater of the amount determined in
4 STEP THREE or one (1).

5 STEP FIVE: Multiply the amount determined in STEP TWO by
6 the amount determined in STEP FOUR.

7 STEP SIX: Add the amount determined under STEP TWO to the
8 amount determined under subsection (c).

9 STEP SEVEN: Determine the greater of the amount determined
10 under STEP FIVE or the amount determined under STEP SIX.

11 (b) Except as otherwise provided in this chapter *and IC 6-3.5-8-12*,
12 a civil taxing unit that is treated as being located in an adopting county
13 under section 4 of this chapter may not impose an ad valorem property
14 tax levy for an ensuing calendar year that exceeds the amount
15 determined in the last STEP of the following STEPS:

16 STEP ONE: Add the civil taxing unit's maximum permissible ad
17 valorem property tax levy for the preceding calendar year to the
18 part of the civil taxing unit's certified share, if any, used to reduce
19 the civil taxing unit's ad valorem property tax levy under STEP
20 EIGHT of this subsection for that preceding calendar year.

21 STEP TWO: Multiply the amount determined in STEP ONE by
22 the amount determined in *either* the last STEP of section ~~2~~ *2(a)*
23 of this chapter *for calendar years ending before January 1, 2006,*
24 *or the last STEP of section 2(b) of this chapter for calendar years*
25 *beginning after December 31, 2005.*

26 STEP THREE: Determine the lesser of one and fifteen hundredths
27 (1.15) or the quotient of the assessed value of all taxable property
28 subject to the civil taxing unit's ad valorem property tax levy for
29 the ensuing calendar year divided by the assessed value of all
30 taxable property that is subject to the civil taxing unit's ad
31 valorem property tax levy for the ensuing calendar year and that
32 is contained within the geographic area that was subject to the
33 civil taxing unit's ad valorem property tax levy in the preceding
34 calendar year.

35 STEP FOUR: Determine the greater of the amount determined in
36 STEP THREE or one (1).

37 STEP FIVE: Multiply the amount determined in STEP TWO by
38 the amount determined in STEP FOUR.

39 STEP SIX: Add the amount determined under STEP TWO to the
40 amount determined under subsection (c).

41 STEP SEVEN: Determine the greater of the amount determined
42 under STEP FIVE or the amount determined under STEP SIX.

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1 STEP EIGHT: Subtract the amount determined under STEP FIVE
 2 of subsection (e) from the amount determined under STEP
 3 SEVEN of this subsection.

4 (c) If a civil taxing unit in the immediately preceding calendar year
 5 provided an area outside its boundaries with services on a contractual
 6 basis and in the ensuing calendar year that area has been annexed by
 7 the civil taxing unit, the amount to be entered under STEP SIX of
 8 subsection (a) or STEP SIX of subsection (b), as the case may be,
 9 equals the amount paid by the annexed area during the immediately
 10 preceding calendar year for services that the civil taxing unit must
 11 provide to that area during the ensuing calendar year as a result of the
 12 annexation. In all other cases, the amount to be entered under STEP
 13 SIX of subsection (a) or STEP SIX of subsection (b), as the case may
 14 be, equals zero (0).

15 (d) This subsection applies only to civil taxing units located in a
 16 county having a county adjusted gross income tax rate for resident
 17 county taxpayers (as defined in IC 6-3.5-1.1-1) of one percent (1%) as
 18 of January 1, ~~of the ensuing calendar year: 2003.~~ For each civil taxing
 19 unit, the amount to be added to the amount determined in subsection
 20 (e), STEP FOUR, is determined using the following formula:

21 STEP ONE: Multiply the civil taxing unit's maximum permissible
 22 ad valorem property tax levy for the preceding calendar year by
 23 two percent (2%).

24 STEP TWO: For the determination year, the amount to be used as
 25 the STEP TWO amount is the amount determined in subsection
 26 (f) for the civil taxing unit. For each year following the
 27 determination year the STEP TWO amount is the lesser of:

- 28 (A) the amount determined in STEP ONE; or
 29 (B) the amount determined in subsection (f) for the civil taxing
 30 unit.

31 STEP THREE: Determine the greater of:

- 32 (A) zero (0); or
 33 (B) the civil taxing unit's certified share for the ensuing
 34 calendar year minus the greater of:
 35 (i) the civil taxing unit's certified share for the calendar year
 36 that immediately precedes the ensuing calendar year; or
 37 (ii) the civil taxing unit's base year certified share.

38 STEP FOUR: Determine the greater of:

- 39 (A) zero (0); or
 40 (B) the amount determined in STEP TWO minus the amount
 41 determined in STEP THREE.

42 Add the amount determined in STEP FOUR to the amount determined

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1 in subsection (e), STEP THREE, as provided in subsection (e), STEP
2 FOUR.

3 (e) For each civil taxing unit, the amount to be subtracted under
4 subsection (b), STEP EIGHT, is determined using the following
5 formula:

6 STEP ONE: Determine the lesser of the civil taxing unit's base
7 year certified share for the ensuing calendar year, as determined
8 under section 5 of this chapter, or the civil taxing unit's certified
9 share for the ensuing calendar year.

10 STEP TWO: Determine the greater of:

11 (A) zero (0); or

12 (B) the remainder of:

13 (i) the amount of federal revenue sharing money that was
14 received by the civil taxing unit in 1985; minus

15 (ii) the amount of federal revenue sharing money that will be
16 received by the civil taxing unit in the year preceding the
17 ensuing calendar year.

18 STEP THREE: Determine the lesser of:

19 (A) the amount determined in STEP TWO; or

20 (B) the amount determined in subsection (f) for the civil taxing
21 unit.

22 STEP FOUR: Add the amount determined in subsection (d),
23 STEP FOUR, to the amount determined in STEP THREE.

24 STEP FIVE: Subtract the amount determined in STEP FOUR
25 from the amount determined in STEP ONE.

26 (f) As used in this section, a taxing unit's "determination year"
27 means the latest of:

28 (1) calendar year 1987, if the taxing unit is treated as being
29 located in an adopting county for calendar year 1987 under
30 section 4 of this chapter;

31 (2) the taxing unit's base year, as defined in section 5 of this
32 chapter, if the taxing unit is treated as not being located in an
33 adopting county for calendar year 1987 under section 4 of this
34 chapter; or

35 (3) the ensuing calendar year following the first year that the
36 taxing unit is located in a county that has a county adjusted gross
37 income tax rate of more than one-half percent (0.5%) on July 1 of
38 that year.

39 The amount to be used in subsections (d) and (e) for a taxing unit
40 depends upon the taxing unit's certified share for the ensuing calendar
41 year, the taxing unit's determination year, and the county adjusted gross
42 income tax rate for resident county taxpayers (as defined in

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1 IC 6-3.5-1.1-1) that is in effect in the taxing unit's county on July 1 of
2 the year preceding the ensuing calendar year. For the determination
3 year and the ensuing calendar years following the taxing unit's
4 determination year, the amount is the taxing unit's certified share for
5 the ensuing calendar year multiplied by the appropriate factor
6 prescribed in the following table:

7	COUNTIES WITH A TAX RATE OF 1/2%	
8		Subsection (e)
9	Year	Factor
10	For the determination year and each ensuing	
11	calendar year following the determination year	0

12	COUNTIES WITH A TAX RATE OF 3/4%	
13		Subsection (e)
14	Year	Factor
15	For the determination year and each ensuing	
16	calendar year following the determination year	1/2

17	COUNTIES WITH A TAX RATE OF 1.0%		
18		Subsection (d)	Subsection (e)
19	Year	Factor	Factor
20	For the determination year	1/6	1/3
21	For the ensuing calendar year		
22	following the determination year	1/4	1/3
23	For the ensuing calendar year		
24	following the determination		
25	year by two (2) years	1/3	1/3

26 SECTION 6. IC 6-1.1-18.5-13, AS AMENDED BY P.L.181-2001,
27 SECTION 1, AND AS AMENDED BY P.L.198-2001, SECTION 55,
28 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
29 [EFFECTIVE JULY 1, 2002]: Sec. 13. With respect to an appeal filed
30 under section 12 of this chapter, the local government tax control board
31 may recommend that a civil taxing unit receive any one (1) or more of
32 the following types of relief:

- 33 (1) Permission to the civil taxing unit to reallocate the amount set
- 34 aside as a property tax replacement credit as required by
- 35 IC 6-3.5-1.1 for a purpose other than property tax relief. However,
- 36 whenever this occurs, the local government tax control board
- 37 shall also state the amount to be reallocated.
- 38 (2) Permission to the civil taxing unit to increase its levy in excess
- 39 of the limitations established under section 3 of this chapter, if in
- 40 the judgment of the local government tax control board the
- 41 increase is reasonably necessary due to increased costs of the civil
- 42 taxing unit resulting from annexation, consolidation, or other

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1 extensions of governmental services by the civil taxing unit to
2 additional geographic areas or persons.

3 (3) Permission to the civil taxing unit to increase its levy in excess
4 of the limitations established under section 3 of this chapter, if the
5 local government tax control board finds that the civil taxing unit
6 needs the increase to meet the civil taxing unit's share of the costs
7 of operating a court established by statute enacted after December
8 31, 1973. Before recommending such an increase, the local
9 government tax control board shall consider all other revenues
10 available to the civil taxing unit that could be applied for that
11 purpose. The maximum aggregate levy increases that the local
12 government tax control board may recommend for a particular
13 court equals the civil taxing unit's share of the costs of operating
14 a court for the first full calendar year in which it is in existence.

15 (4) (3) Permission to the civil taxing unit to increase its levy in
16 excess of the limitations established under section 3 of this
17 chapter, if the civil taxing unit's average three (3) year growth
18 factor, as determined in section 2(a) (STEP THREE) of this
19 chapter for calendar years ending before January 1, 2006, or
20 section 2(b) (STEP THREE) of this chapter for calendar years
21 beginning after December 31, 2005, exceeds one and one-tenth
22 (1.1). However, any increase in the amount of the civil taxing
23 unit's levy recommended by the local government tax control
24 board under this subdivision may not exceed an amount equal to
25 the remainder of:

26 (A) the amount of ad valorem property taxes the civil taxing
27 unit could impose for the ensuing calendar year under section
28 3 of this chapter if at STEP TWO of subsection (a) or (b), as
29 the case may be, the amount determined in STEP THREE of
30 section 2(a) of this chapter for calendar years ending before
31 January 1, 2006, or in STEP THREE of section 2(b) of this
32 chapter for calendar years beginning after December 31,
33 2005, is substituted for the amount determined under STEP
34 FIVE of section 2(a) of this chapter for calendar years
35 ending before January 1, 2006, or under STEP FIVE of
36 section 2(b) of this chapter for calendar years beginning after
37 December 31, 2005; minus

38 (B) the amount of ad valorem property taxes the civil taxing
39 unit could impose under section 3 of this chapter for the
40 ensuing calendar year.

41 In addition, before the local government tax control board may
42 recommend the relief allowed under this subdivision, the civil

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taxing unit must show a need for the increased levy because of special circumstances, and the local government tax control board must consider other sources of revenue and other means of relief. ~~(5)~~ (4) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

- (A) ten thousand dollars (\$10,000); or
- (B) twenty percent (20%) of:
 - (i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus
 - (ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under ~~IC 6-1-1-18.5; this chapter~~; minus
 - (iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

~~(6)~~ Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by

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1 ~~distributions made to a civil taxing unit by the state.~~

2 (7) (5) Permission to increase its levy in excess of the limitations
3 established under section 3 of this chapter if the local government
4 tax control board finds that:

5 (A) the township's poor relief ad valorem property tax rate is
6 less than one and sixty-seven hundredths cents (\$0.0167) per
7 one hundred dollars (\$100) of assessed valuation; and

8 (B) the township needs the increase to meet the costs of
9 providing poor relief under IC 12-20 and IC 12-30-4.

10 The maximum increase that the board may recommend for a
11 township is the levy that would result from an increase in the
12 township's poor relief ad valorem property tax rate of one and
13 sixty-seven hundredths cents (\$0.0167) per one hundred dollars
14 (\$100) of assessed valuation minus the township's ad valorem
15 property tax rate per one hundred dollars (\$100) of assessed
16 valuation before the increase.

17 (8) Permission to a civil taxing unit to increase its levy in excess
18 of the limitations established under section 3 of this chapter if:

19 (A) the increase has been approved by the legislative body of
20 the municipality with the largest population where the civil
21 taxing unit provides public transportation services; and

22 (B) the local government tax control board finds that the civil
23 taxing unit needs the increase to provide adequate public
24 transportation services.

25 The local government tax control board shall consider tax rates
26 and levies in civil taxing units of comparable population; and the
27 effect (if any) of a loss of federal or other funds to the civil taxing
28 unit that might have been used for public transportation purposes.
29 However, the increase that the board may recommend under this
30 subdivision for a civil taxing unit may not exceed the revenue that
31 would be raised by the civil taxing unit based on a property tax
32 rate of one cent (\$0.01) per one hundred dollars (\$100) of
33 assessed valuation.

34 (9) Permission to a civil taxing unit to increase the unit's levy in
35 excess of the limitations established under section 3 of this
36 chapter if the local government tax control board finds that:

37 (A) the civil taxing unit is:

38 (i) a county having a population of more than one hundred
39 twenty-nine thousand (129,000) but less than one hundred
40 thirty thousand six hundred (130,600);

41 (ii) a city having a population of more than forty-three
42 thousand seven hundred (43,700) but less than forty-four

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thousand (44,000);
(iii) a city having a population of more than twenty-five thousand five hundred (25,500) but less than twenty-six thousand (26,000);
(iv) a city having a population of more than fifteen thousand three hundred fifty (15,350) but less than fifteen thousand five hundred seventy (15,570); or
(v) a city having a population of more than five thousand six hundred fifty (5,650) but less than five thousand seven hundred eight (5,708); and

(B) the increase is necessary to provide funding to undertake removal (as defined in *IC 13-7-8.7-1*) *IC 13-11-2-187*) and remedial action (as defined in *IC 13-7-8.7-1*) *IC 13-11-2-185*) relating to hazardous substances (as defined in *IC 13-7-8.7-1*) *IC 13-11-2-98*) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare:

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years:

(10) Permission for a county having a population of more than seventy-eight thousand (78,000) but less than eighty-five thousand (85,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991. Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum

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aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

~~(H)~~ (6) Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection. However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal.

~~(I2)~~ (7) *Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year for which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However, the maximum increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.*

~~(I3)~~ *Permission to a city having a population of more than twenty-three thousand five hundred (23,500) but less than twenty-four thousand (24,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:*

(A) an appeal was granted to the city under subdivision (1) in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution

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determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned to have reallocated in 2001 under subdivision (1) for a purpose other than property tax relief.

SECTION 7. IC 6-1.1-20-3.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3.1. **(a) This subsection applies only to a school corporation.** A ~~political subdivision~~ **school corporation** may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of a ~~political subdivision~~ **school corporation** shall:

- (A) publish notice in accordance with IC 5-3-1; and
- (B) send notice by first class mail to any organization that delivers to the officers, before January 1 of that year, an annual written request for such notices;

of any meeting to consider adoption of a resolution or an ordinance making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on a preliminary determination before adoption of the resolution or ordinance.

(2) When the proper officers of a ~~political subdivision~~ **school corporation** make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:

- (A) publication in accordance with IC 5-3-1; and
- (B) first class mail to the organizations described in subdivision (1)(B).

(3) A notice under subdivision (2) of the preliminary determination of the ~~political subdivision~~ **school corporation** to issue bonds or enter into a lease must include the following information:

- (A) The maximum term of the bonds or lease.
- (B) The maximum principal amount of the bonds or the maximum lease rental for the lease.
- (C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.
- (D) The purpose of the bonds or lease.
- (E) A statement that any owners of real property within the ~~political subdivision~~ **school corporation** who want to initiate

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a petition and remonstrance process against the proposed debt service or lease payments must file a petition that complies with subdivisions (4) and (5) not later than thirty (30) days after publication in accordance with IC 5-3-1.

(4) After notice is given, a petition requesting the application of a petition and remonstrance process may be filed by the lesser of:

(A) two hundred fifty (250) owners of real property within the ~~political subdivision;~~ **school corporation;** or

(B) ten percent (10%) of the owners of real property within the ~~political subdivision;~~ **school corporation.**

(5) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county auditor under subdivision (6).

(6) Each petition must be filed with the county auditor not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(7) The county auditor must file a certificate and each petition with

(A) the township trustee; if the political subdivision is a township; who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease; if the political subdivision is not a township;

the governing body of the school corporation within fifteen (15) business days of the filing of the petition requesting a petition and remonstrance process. The certificate must state the number of petitioners that are owners of real property within the ~~political subdivision;~~ **school corporation.**

If a sufficient petition requesting a petition and remonstrance process is not filed by owners of real property as set forth in this section, the ~~political subdivision~~ **school corporation** may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

(b) This subsection applies to a political subdivision that is not a school corporation. A political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of a political subdivision shall:

(A) publish notice in accordance with IC 5-3-1; and

(B) send notice by first class mail to any organization that

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delivers to the officers, before January 1 of that year, an annual written request for such notices; of any meeting to consider adoption of a resolution or an ordinance making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on a preliminary determination before adoption of the resolution or ordinance.

(2) When the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:

- (A) publication in accordance with IC 5-3-1; and
- (B) first class mail to the organizations described in subdivision (1)(B).

(3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease must include the following information:

- (A) The maximum term of the bonds or lease.
- (B) The maximum principal amount of the bonds or the maximum lease rental for the lease.
- (C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.
- (D) The purpose of the bonds or lease.
- (E) The time, date, and place of the meeting to consider adoption of a resolution or an ordinance to issue bonds or enter into a lease.

SECTION 8. IC 6-1.1-21-2 IS AMENDED TO READ AS FOLLOWS: Sec. 2. As used in this chapter:

- (a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.
- (b) "Taxes" means taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).
- (c) "Department" means the department of state revenue.
- (d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5, is to be filed on or before March 1 of each year with the auditor of state.
- (e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.
- (f) "Postabstract adjustments" means adjustments in taxes made

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1 subsequent to the filing of an auditor's abstract which change
2 assessments therein or add assessments of omitted property affecting
3 taxes for such assessment year.

4 (g) "Total county tax levy" means the sum of:

5 (1) the remainder of:

6 (A) the aggregate levy of all taxes for all taxing units in a
7 county which are to be paid in the county for a stated
8 assessment year as reflected by the auditor's abstract for the
9 assessment year, adjusted, however, for any postabstract
10 adjustments which change the amount of the aggregate levy;
11 minus

12 (B) the sum of any increases in property tax levies of taxing
13 units of the county that result from appeals described in:

14 (i) IC 6-1.1-18.5-13(5) and IC 6-1.1-18.5-13(6) filed after
15 December 31, 1982; plus

16 (ii) the sum of any increases in property tax levies of taxing
17 units of the county that result from any other appeals
18 described in IC 6-1.1-18.5-13 filed after December 31,
19 1983; plus

20 (iii) IC 6-1.1-18.6-3 (children in need of services and
21 delinquent children who are wards of the county); minus

22 (C) the total amount of property taxes imposed for the stated
23 assessment year by the taxing units of the county under the
24 authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed),
25 IC 12-19-5, or IC 12-20-24; minus

26 (D) the total amount of property taxes to be paid during the
27 stated assessment year that will be used to pay for interest or
28 principal due on debt that:

29 (i) is entered into after December 31, 1983;

30 (ii) is not debt that is issued under IC 5-1-5 to refund debt
31 incurred before January 1, 1984; and

32 (iii) does not constitute debt entered into for the purpose of
33 building, repairing, or altering school buildings for which
34 the requirements of IC 20-5-52 were satisfied prior to
35 January 1, 1984; minus

36 (E) the amount of property taxes imposed in the county for the
37 stated assessment year under the authority of IC 21-2-6 or any
38 citation listed in IC 6-1.1-18.5-9.8 (**before its repeal**) for a
39 cumulative building fund whose property tax rate was initially
40 established or reestablished for a stated assessment year that
41 succeeds the 1983 stated assessment year; minus

42 (F) the remainder of:

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(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 or any citation listed in IC 6-1.1-18.5-9.8 **(before its repeal)** for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 or any citation listed in IC 6-1.1-18.5-9.8 **(before its repeal)** for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

- (i) IC 21-2-15 for a capital projects fund; plus
- (ii) IC 6-1.1-19-10 for a racial balance fund; plus
- (iii) IC 20-14-13 for a library capital projects fund; plus
- (iv) IC 20-5-17.5-3 for an art association fund; plus
- (v) IC 21-2-17 for a special education preschool fund; plus
- (vi) an appeal filed under IC 6-1.1-19-5.1 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus
- (vii) an appeal filed under IC 6-1.1-19-5.4 for an increase in a school corporation's maximum permissible general fund levy for transportation operating costs; minus

(H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19, including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5(a) STEP ONE or any other law; minus

(I) for each township in the county, the lesser of:

- (i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(5) filed after December 31, 1982; or
- (ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of

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1 IC 36-8-13-4; minus
 2 (J) for each participating unit in a fire protection territory
 3 established under IC 36-8-19-1, the amount of property taxes
 4 levied by each participating unit under IC 36-8-19-8 and
 5 IC 36-8-19-8.5 less the maximum levy limit for each of the
 6 participating units that would have otherwise been available
 7 for fire protection services under IC 6-1.1-18.5-3 and
 8 IC 6-1.1-18.5-19 for that same year; minus
 9 (K) for each county, the sum of:
 10 (i) the amount of property taxes imposed in the county for
 11 the repayment of loans under IC 12-19-5-6 that is included
 12 in the amount determined under IC 12-19-7-4(a) STEP
 13 SEVEN for property taxes payable in 1995, or for property
 14 taxes payable in each year after 1995, the amount
 15 determined under IC 12-19-7-4(b); and
 16 (ii) the amount of property taxes imposed in the county
 17 attributable to appeals granted under IC 6-1.1-18.6-3 that is
 18 included in the amount determined under IC 12-19-7-4(a)
 19 STEP SEVEN for property taxes payable in 1995, or the
 20 amount determined under IC 12-19-7-4(b) for property taxes
 21 payable in each year after 1995; plus
 22 (2) all taxes to be paid in the county in respect to mobile home
 23 assessments currently assessed for the year in which the taxes
 24 stated in the abstract are to be paid; plus
 25 (3) the amounts, if any, of county adjusted gross income taxes that
 26 were applied by the taxing units in the county as property tax
 27 replacement credits to reduce the individual levies of the taxing
 28 units for the assessment year, as provided in IC 6-3.5-1.1; plus
 29 (4) the amounts, if any, by which the maximum permissible ad
 30 valorem property tax levies of the taxing units of the county were
 31 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated
 32 assessment year; plus
 33 (5) the difference between:
 34 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR;
 35 minus
 36 (B) the amount the civil taxing units' levies were increased
 37 because of the reduction in the civil taxing units' base year
 38 certified shares under IC 6-1.1-18.5-3(e).
 39 (h) "December settlement sheet" means the certificate of settlement
 40 filed by the county auditor with the auditor of state, as required under
 41 IC 6-1.1-27-3.
 42 (i) "Tax duplicate" means the roll of property taxes which each

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1 county auditor is required to prepare on or before March 1 of each year
2 under IC 6-1.1-22-3.

3 SECTION 9. IC 6-3.5-1.1-2, AS AMENDED BY P.L.135-2001,
4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2002]: Sec. 2. (a) The county council of any county in which
6 the county option income tax will not be in effect on July 1 of a year
7 under an ordinance adopted during a previous calendar year may
8 impose the county adjusted gross income tax on the adjusted gross
9 income of county taxpayers of its county effective July 1 of that year.

10 (b) Except as provided in section 2.1, 2.5, 2.7, or 3.5 of this chapter,
11 the county adjusted gross income tax may be imposed at a rate of
12 one-half of one percent (0.5%), three-fourths of one percent (0.75%),
13 or one percent (1%) on the adjusted gross income of resident county
14 taxpayers of the county. Any county imposing the county adjusted
15 gross income tax must impose the tax on the nonresident county
16 taxpayers at a rate of one-fourth of one percent (0.25%) on their
17 adjusted gross income. If the county council elects to decrease the
18 county adjusted gross income tax, the county council may decrease the
19 county adjusted gross income tax rate in increments of one-tenth of one
20 percent (0.1%).

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

24 "The _____ County Council imposes the county adjusted
25 gross income tax on the county taxpayers of _____ County.
26 The county adjusted gross income tax is imposed at a rate of
27 _____ percent (____%) on the resident county taxpayers of the
28 county and one-fourth of one percent (0.25%) on the nonresident
29 county taxpayers of the county. This tax takes effect July 1 of this
30 year."

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

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

37 (f) If the county adjusted gross income tax had previously been
38 adopted by a county under IC 6-3.5-1 (before its repeal on March 15,
39 1983) and that tax was in effect at the time of the enactment of this
40 chapter, then the county adjusted gross income tax continues in that
41 county at the rates in effect at the time of enactment until the rates are
42 modified or the tax is rescinded in the manner prescribed by this

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1 chapter. If a county's adjusted gross income tax is continued under this
 2 subsection, then the tax shall be treated as if it had been imposed under
 3 this chapter and is subject to rescission or reduction as authorized in
 4 this chapter.

5 SECTION 10. IC 6-3.5-1.1-2.1 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2002]: **Sec. 2.1. (a) The county council may**
 8 **adopt a county adjusted gross income tax rate that exceeds the**
 9 **maximum rate permitted under section 2 of this chapter if a**
 10 **majority of the individuals who vote in a referendum that is**
 11 **conducted under this section approves the tax rate proposed by the**
 12 **county council.**

13 **(b) The question to be submitted to the voters in the referendum**
 14 **must read as follows:**

15 "Beginning January 1 of the year immediately following the
 16 holding of the referendum, shall _____ (insert the
 17 name of the county) impose a county adjusted gross income
 18 tax rate of _____% of the adjusted gross income of the
 19 resident county taxpayers of _____ County?"

20 **(c) The county council shall act under IC 3-10-9-3 to certify the**
 21 **question to be voted on at the referendum to the county election**
 22 **board of the county. Each county clerk shall, upon receiving the**
 23 **certified question, call a meeting of the county election board to**
 24 **make arrangements for the referendum.**

25 **(d) The referendum shall be held in the next primary or general**
 26 **election in which the residents of the county are entitled to vote**
 27 **after certification of the question under IC 3-10-9-3. However, if**
 28 **the referendum would be held at a primary or general election**
 29 **more than six (6) months after certification by the county council,**
 30 **the referendum shall be held at a special election to be conducted**
 31 **not less than sixty (60) days after the question is certified to the**
 32 **circuit court clerk by the county council. The county council shall**
 33 **advise the county election board of the date on which the county**
 34 **council desires that the referendum be held, and, if practicable, the**
 35 **referendum shall be held on the day specified by the county**
 36 **council.**

37 **(e) The referendum shall be held under the direction of the**
 38 **county election board, which shall take all steps necessary to carry**
 39 **out the referendum. Not less than ten (10) days before the date on**
 40 **which the referendum is to be held, the county election board shall**
 41 **cause notice of the question that is to be voted upon at the**
 42 **referendum to be published in accordance with IC 5-3-1. If the**



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1 referendum is not conducted at a primary or general election, the
 2 county in which the referendum is to be held shall pay all the costs
 3 of holding the referendum.

4 (f) The county election board shall cause the question certified
 5 to the circuit court clerk by the county council to be placed on the
 6 ballot in the form prescribed by IC 3-10-9-4. The county election
 7 board shall also cause an adequate supply of ballots and voting
 8 equipment to be delivered to the precinct election board of each
 9 precinct in which the referendum is to be held.

10 (g) The individuals entitled to vote in the referendum are all the
 11 registered voters residing in the county seeking approval for the
 12 county adjusted gross income tax rate.

13 (h) Each precinct election board shall count the affirmative
 14 votes and the negative votes cast in the referendum and shall
 15 certify the two (2) totals to the county election board. The circuit
 16 court clerk shall, immediately after the votes cast in the
 17 referendum have been counted, certify the results of the
 18 referendum to the county auditor. Upon receiving the certification
 19 of all of the votes cast in the referendum, the county auditor shall
 20 promptly certify the result of the referendum to the department of
 21 state revenue. If a majority of the individuals who voted in the
 22 referendum cast an affirmative vote on the referendum question,
 23 the department of state revenue, upon being notified in the manner
 24 described in this subsection of the result of the referendum, shall
 25 take prompt and appropriate steps to notify the county council that
 26 the county is authorized to collect, for the calendar year that next
 27 follows the calendar year in which the referendum is held, a county
 28 adjusted gross income tax rate in the amount approved in the
 29 referendum. If a majority of the persons who voted in the
 30 referendum did not cast an affirmative vote on the referendum
 31 question, the county may not impose a county adjusted gross
 32 income tax rate greater than the rate permitted under section 2 of
 33 this chapter.

34 SECTION 11. IC 6-3.5-6-9 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) If on January 1
 36 of a calendar year the county option income tax rate in effect for
 37 resident county taxpayers equals six tenths of one percent (0.6%), then
 38 the county income tax council of that county may after January 1 and
 39 before April 1 of that year pass an ordinance to increase its tax rate for
 40 resident county taxpayers. If a county income tax council passes an
 41 ordinance under this section, its county option income tax rate for
 42 resident county taxpayers increases by one tenth of one percent (0.1%)



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each succeeding July 1 until its rate reaches a maximum of one percent (1%). **However, the county income tax council may pass an ordinance to increase its county option income tax rate for resident county taxpayers above one percent (1%) if the voters of the county approve the increase in a referendum held under section 9.1 of this chapter.**

(b) The auditor of the county shall record any vote taken on an ordinance proposed under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 12. IC 6-3.5-6-9.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 9.1. (a) The county income tax council may adopt a county option income tax rate that exceeds the maximum rate permitted under section 9 of this chapter if a majority of the individuals who vote in a referendum that is conducted under this section approves the tax rate proposed by the county council.**

(b) The question to be submitted to the voters in the referendum must read as follows:

"Beginning January 1 of the year immediately following the holding of the referendum, shall _____ (insert the name of the county) impose a county option income tax rate of _____% of the adjusted gross income of the resident county taxpayers of _____ County?"

(c) The county council shall act under IC 3-10-9-3 to certify the question to be voted on at the referendum to the county election board of the county. Each county clerk shall, upon receiving the certified question, call a meeting of the county election board to make arrangements for the referendum.

(d) The referendum shall be held in the next primary or general election in which the residents of the county are entitled to vote after certification of the question under IC 3-10-9-3. However, if the referendum would be held at a primary or general election more than six (6) months after certification by the county council, the referendum shall be held at a special election to be conducted not less than sixty (60) days after the question is certified to the circuit court clerk by the county council. The county council shall advise the county election board of the date on which the county council desires that the referendum be held, and, if practicable, the referendum shall be held on the day specified by the county council.

(e) The referendum shall be held under the direction of the

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county election board, which shall take all steps necessary to carry out the referendum. Not less than ten (10) days before the date on which the referendum is to be held, the county election board shall cause notice of the question that is to be voted upon at the referendum to be published in accordance with IC 5-3-1. If the referendum is not conducted at a primary or general election, the county in which the referendum is to be held shall pay all the costs of holding the referendum.

(f) The county election board shall cause the question certified to the circuit court clerk by the county council to be placed on the ballot in the form prescribed by IC 3-10-9-4. The county election board shall also cause an adequate supply of ballots and voting equipment to be delivered to the precinct election board of each precinct in which the referendum is to be held.

(g) The individuals entitled to vote in the referendum are all of the registered voters residing in the county seeking approval for the county option income tax rate.

(h) Each precinct election board shall count the affirmative votes and the negative votes cast in the referendum and shall certify the two (2) totals to the county election board. The circuit court clerk shall, immediately after the votes cast in the referendum have been counted, certify the results of the referendum to the county auditor. Upon receiving the certification of all of the votes cast in the referendum, the county auditor shall promptly certify the result of the referendum to the department of state revenue. If a majority of the individuals who voted in the referendum cast an affirmative vote on the referendum question, the department of state revenue, upon being notified in the manner described in this subsection of the result of the referendum, shall take prompt and appropriate steps to notify the county income tax council that the county is authorized to collect, for the calendar year that next follows the calendar year in which the referendum is held, a county option income tax rate in the amount approved in the referendum. If a majority of the persons who voted in the referendum did not cast an affirmative vote on the referendum question, the county income tax council may not impose a county option income tax rate greater than the rate permitted under section 9 of this chapter.

SECTION 13. IC 6-3.5-7-5, AS AMENDED BY P.L.135-2001, SECTION 6, AS AMENDED BY P.L.185-2001, SECTION 3, AND AS AMENDED BY P.L.291-2001, SECTION 179, IS AMENDED AND CORRECTED TO READ AS FOLLOWS [EFFECTIVE JULY

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1 1, 2002]: Sec. 5. (a) Except as provided in subsection (c), the county
2 economic development income tax may be imposed on the adjusted
3 gross income of county taxpayers. The entity that may impose the tax
4 is:

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

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

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

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

27 on the adjusted gross income of county taxpayers.

28 (c) Except as provided in:

- 29 (1) subsection (h), (i), ~~or (j)~~, or (k); or
- 30 (2) **section 6.1 of this chapter;**

31 the county economic development income tax rate plus the county
32 adjusted gross income tax rate, if any, that are in effect on January 1 of
33 a year may not exceed one and twenty-five hundredths percent
34 (1.25%). Except as provided in subsection (g), the county economic
35 development tax rate plus the county option income tax rate, if any, that
36 are in effect on January 1 of a year may not exceed one percent (1%).

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

41 "The _____ County _____ imposes the county economic
42 development income tax on the county taxpayers of _____

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

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

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

9 (g) This subsection applies to a county having a population of more
10 than one hundred twenty-nine thousand (129,000) but less than one
11 hundred thirty thousand six hundred (130,600). In addition to the rates
12 permitted by subsection (b), the:

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

- 15 (A) fifteen-hundredths percent (0.15%);
- 16 (B) two-tenths percent (0.2%); or
- 17 (C) twenty-five hundredths percent (0.25%); and

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

23 (h) For a county having a population of more than thirty-seven
24 thousand (37,000) but less than thirty-seven thousand eight hundred
25 (37,800), the county economic development income tax rate plus the
26 county adjusted gross income tax rate that are in effect on January 1 of
27 a year may not exceed one and thirty-five hundredths percent (1.35%)
28 if the county has imposed the county adjusted gross income tax at a rate
29 of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

30 (i) For a county having a population of more than twelve thousand
31 six hundred (12,600) but less than thirteen thousand (13,000), the
32 county economic development income tax rate plus the county adjusted
33 gross income tax rate that are in effect on January 1 of a year may not
34 exceed one and fifty-five hundredths percent (1.55%).

35 (j) *For a county having a population of more than sixty-eight*
36 *thousand (68,000) but less than seventy-three thousand (73,000), the*
37 *county economic development income tax rate plus the county adjusted*
38 *gross income tax rate that are in effect on January 1 of a year may not*
39 *exceed one and five-tenths percent (1.5%).*

40 (k) *This subsection applies to a county having a population of more*
41 *than twenty-seven thousand (27,000) but less than twenty-seven*
42 *thousand three hundred (27,300). In addition to the rates permitted*

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1 ~~under subsection (b):~~
 2 ~~(1) the county economic development income tax may be imposed~~
 3 ~~at a rate of twenty-five hundredths percent (0.25%); and~~
 4 ~~(2) the sum of the county economic development income tax rate~~
 5 ~~and the county adjusted gross income tax rate that are in effect~~
 6 ~~on January 1 of a year may not exceed one and five-tenths~~
 7 ~~percent (1.5%);~~

8 ~~if the county council makes a determination to impose rates under this~~
 9 ~~subsection and section 22.5 of this chapter:~~

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

14 (1) the county economic development income tax may be imposed
 15 at a rate of twenty-five hundredths percent (0.25%); and
 16 (2) the sum of the county economic development income tax rate
 17 and the county adjusted gross income tax rate that are in effect
 18 on January 1 of a year may not exceed one and five-tenths
 19 percent (1.5%);

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

22 SECTION 14. IC 6-3.5-7-6 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. (a) **Except as**
 24 **provided in section 6.1 of this chapter,** the body imposing the tax
 25 may decrease or increase the county economic development income tax
 26 rate imposed upon the county taxpayers as long as the resulting rate
 27 does not exceed the rates specified in section 5(b) and 5(c) or 5(g) of
 28 this chapter. The rate imposed under this section must be adopted at
 29 one (1) of the rates specified in section 5(b) of this chapter. To
 30 decrease or increase the rate, the appropriate body must, after January
 31 1 but before April 1 of a year, adopt an ordinance. The ordinance must
 32 substantially state the following:

33 "The _____ County _____ increases (decreases) the
 34 county economic development income tax rate imposed upon the
 35 county taxpayers of the county from _____ percent (____%) to
 36 _____ percent (____%). This tax rate increase (decrease) takes
 37 effect July 1 of this year."

38 (b) Any ordinance adopted under this section takes effect July 1 of
 39 the year the ordinance is adopted.

40 (c) The auditor of a county shall record all votes taken on
 41 ordinances presented for a vote under the authority of this section and
 42 immediately send a certified copy of the results to the department by

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1 certified mail.

2 SECTION 15. IC 6-3.5-7-6.1 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2002]: **Sec. 6.1. (a) The county income tax**
5 **council may adopt a county economic development income tax rate**
6 **that is in excess of the maximum rate permitted under section 6 of**
7 **this chapter if a majority of the individuals who vote in a**
8 **referendum that is conducted under this section approves the tax**
9 **rate proposed by the county council.**

10 (b) The question to be submitted to the voters in the referendum
11 must read as follows:

12 "Beginning January 1 of the year immediately following the
13 holding of the referendum, shall _____ (insert the
14 name of the county) impose a county economic development
15 income tax rate of _____% on the adjusted gross income of
16 the resident county taxpayers of _____ County?"

17 (c) The county council shall act under IC 3-10-9-3 to certify the
18 question to be voted on at the referendum to the county election
19 board of the county. Each county clerk shall, upon receiving the
20 certified question, call a meeting of the county election board to
21 make arrangements for the referendum.

22 (d) The referendum shall be held in the next primary or general
23 election in which the residents of the county are entitled to vote
24 after certification of the question under IC 3-10-9-3. However, if
25 the referendum would be held at a primary or general election
26 more than six (6) months after certification by the county council,
27 the referendum shall be held at a special election to be conducted
28 not less than sixty (60) days after the question is certified to the
29 circuit court clerk by the county council. The county council shall
30 advise the county election board of the date on which the county
31 council desires that the referendum be held, and, if practicable, the
32 referendum shall be held on the day specified by the county
33 council.

34 (e) The referendum shall be held under the direction of the
35 county election board, which shall take all steps necessary to carry
36 out the referendum. Not less than ten (10) days before the date on
37 which the referendum is to be held, the county election board shall
38 cause notice of the question that is to be voted upon at the
39 referendum to be published in accordance with IC 5-3-1. If the
40 referendum is not conducted at a primary or general election, the
41 county in which the referendum is to be held shall pay all the costs
42 of holding the referendum.



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(f) The county election board shall cause the question certified to the circuit court clerk by the county council to be placed on the ballot in the form prescribed by IC 3-10-9-4. The county election board shall also cause an adequate supply of ballots and voting equipment to be delivered to the precinct election board of each precinct in which the referendum is to be held.

(g) The individuals entitled to vote in the referendum are all of the registered voters residing in the county seeking approval for the county economic development income tax rate.

(h) Each precinct election board shall count the affirmative votes and the negative votes cast in the referendum and shall certify the two (2) totals to the county election board. The circuit court clerk shall, immediately after the votes cast in the referendum have been counted, certify the results of the referendum to the county auditor. Upon receiving the certification of all of the votes cast in the referendum, the county auditor shall promptly certify the result of the referendum to the department of state revenue. If a majority of the individuals who voted in the referendum cast an affirmative vote on the referendum question, the department of state revenue, upon being notified in the manner described in this subsection of the result of the referendum, shall take prompt and appropriate steps to notify the county income tax council that the county is authorized to collect, for the calendar year that next follows the calendar year in which the referendum is held, a county economic development income tax rate in the amount approved in the referendum. If a majority of the persons who voted in the referendum did not cast an affirmative vote on the referendum question, the county income tax council may not impose a county economic development income tax rate greater than the rate permitted under section 6 of this chapter.

SECTION 16. IC 6-3.5-7-13.1, AS AMENDED BY P.L. 124-1999, SECTION 2, IS AMENDED TO READ AS FOLLOWS: Sec. 13.1. (a) The fiscal officer of each county, city, or town for a county in which the county economic development tax is imposed shall establish an economic development income tax fund. Except as provided in section 23 of this chapter, the revenue received by a county, city, or town under this chapter shall be deposited in the unit's economic development income tax fund.

(b) Except as provided in sections 15 and 23 of this chapter, revenues from the county economic development income tax may be used as follows:

- (1) By a county, city, or town for economic development projects,

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1 for paying, notwithstanding any other law, under a written
 2 agreement all or a part of the interest owed by a private developer
 3 or user on a loan extended by a financial institution or other
 4 lender to the developer or user if the proceeds of the loan are or
 5 are to be used to finance an economic development project, for
 6 the retirement of bonds under section 14 of this chapter for
 7 economic development projects, for leases under section 21 of
 8 this chapter, or for leases or bonds entered into or issued prior to
 9 the date the economic development income tax was imposed if
 10 the purpose of the lease or bonds would have qualified as a
 11 purpose under this chapter at the time the lease was entered into
 12 or the bonds were issued.

13 (2) By a county, city, or town for:

14 (A) the construction or acquisition of, or remedial action with
 15 respect to, a capital project for which the unit is empowered to
 16 issue general obligation bonds or establish a fund under any
 17 statute listed in IC 6-1.1-18.5-9.8 **(before its repeal)**;

18 (B) the retirement of bonds issued under any provision of
 19 Indiana law for a capital project;

20 (C) the payment of lease rentals under any statute for a capital
 21 project;

22 (D) contract payments to a nonprofit corporation whose
 23 primary corporate purpose is to assist government in planning
 24 and implementing economic development projects;

25 (E) operating expenses of a governmental entity that plans or
 26 implements economic development projects;

27 (F) to the extent not otherwise allowed under this chapter,
 28 funding substance removal or remedial action in a designated
 29 unit; or

30 (G) funding of a revolving fund established under
 31 IC 5-1-14-14.

32 (c) As used in this section, an economic development project is any
 33 project that:

34 (1) the county, city, or town determines will:

35 (A) promote significant opportunities for the gainful
 36 employment of its citizens;

37 (B) attract a major new business enterprise to the unit; or

38 (C) retain or expand a significant business enterprise within
 39 the unit; and

40 (2) involves an expenditure for:

41 (A) the acquisition of land;

42 (B) interests in land;

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- 1 (C) site improvements;
- 2 (D) infrastructure improvements;
- 3 (E) buildings;
- 4 (F) structures;
- 5 (G) rehabilitation, renovation, and enlargement of buildings
- 6 and structures;
- 7 (H) machinery;
- 8 (I) equipment;
- 9 (J) furnishings;
- 10 (K) facilities;
- 11 (L) administrative expenses associated with such a project,
- 12 including contract payments authorized under subsection
- 13 (b)(2)(D);
- 14 (M) operating expenses authorized under subsection (b)(2)(E);
- 15 or
- 16 (N) to the extent not otherwise allowed under this chapter,
- 17 substance removal or remedial action in a designated unit;
- 18 or any combination of these.

19 SECTION 17. IC 36-1-3-8 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. (a) Subject to
 21 subsection (b), a unit does not have the following:

- 22 (1) The power to condition or limit its civil liability, except as
- 23 expressly granted by statute.
- 24 (2) The power to prescribe the law governing civil actions
- 25 between private persons.
- 26 (3) The power to impose duties on another political subdivision,
- 27 except as expressly granted by statute.
- 28 ~~(4) The power to impose a tax, except as expressly granted by~~
- 29 ~~statute.~~
- 30 ~~(5) The power to impose a license fee greater than that reasonably~~
- 31 ~~related to the administrative cost of exercising a regulatory power.~~
- 32 ~~(6) The power to impose a service charge or user fee greater than~~
- 33 ~~that reasonably related to reasonable and just rates and charges~~
- 34 ~~for services.~~
- 35 ~~(7) (4) The power to regulate conduct that is regulated by a state~~
- 36 ~~agency, except as expressly granted by statute.~~
- 37 ~~(8) (5) The power to prescribe a penalty for conduct constituting~~
- 38 ~~a crime or infraction under statute.~~
- 39 ~~(9) (6) The power to prescribe a penalty of imprisonment for an~~
- 40 ~~ordinance violation.~~
- 41 ~~(10) (7) The power to prescribe a penalty of a fine as follows:~~
- 42 (A) More than ten thousand dollars (\$10,000) for the violation

COPY



1 of an ordinance or a regulation concerning air emissions
 2 adopted by a county that has received approval to establish an
 3 air program under IC 13-17-12-6.
 4 (B) More than two thousand five hundred dollars (\$2,500) for
 5 any other ordinance violation.
 6 ~~(11)~~ (8) The power to invest money, except as expressly granted
 7 by statute.
 8 ~~(12)~~ (9) The power to order or conduct an election, except as
 9 expressly granted by statute.
 10 (b) A township does not have the following, except as expressly
 11 granted by statute:
 12 (1) The power to require a license or impose a license fee.
 13 (2) The power to impose a service charge or user fee.
 14 (3) The power to prescribe a penalty.
 15 (4) **The power to impose a tax.**
 16 SECTION 18. THE FOLLOWING ARE REPEALED [EFFECTIVE
 17 JULY 1, 2002]: IC 6-1.1-18.5-9; IC 6-1.1-18.5-9.5; IC 6-1.1-18.5-9.8;
 18 IC 6-1.1-18.5-10; IC 6-1.1-18.5-10.1; IC 6-1.1-18.5-13.5.
 19 SECTION 19. [EFFECTIVE JULY 1, 2002] **This act applies to**
 20 **property taxes first due and payable after December 31, 2002.**

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