February 1, 2002

SENATE BILL No. 357

DIGEST OF SB 357 (Updated January 31, 2002 6:18 PM - DI 47)

Citations Affected: Numerous provisions throughout the Indiana code.

Synopsis: State board of tax commissioners references. Eliminates Indiana Code references to the state board of tax commissioners (SBTC). (P.L.198-2001 abolished the SBTC effective January 1, 2002, and replaced it with the newly established department of local government finance (DLGF) and Indiana board of tax review (IBTR). That act did not address all code references to the SBTC.) Changes to DLGF or IBTR, as appropriate, the remaining Indiana Code references to the SBTC, makes conforming changes, and repeals no longer applicable Indiana Code sections that refer to the SBTC.

Effective: Upon passage; January 1, 2002 (retroactive); July 1, 2003.

Kenley

January 8, 2002, read first time and referred to Committee on Judiciary.
January 29, 2002, reassigned to Committee on Rules and Legislative Procedure.
February 1, 2002, reported favorably — Do Pass.

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February 1, 2002

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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SENATE BILL No. 357

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

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

SECTION 1. IC 3-13-10-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. A vacancy in the office of township assessor not covered by section 1 of this chapter shall be filled by the county assessor, subject to the approval of the ~~state board of tax commissioners.~~ **department of local government finance.** The county assessor shall make the appointment within thirty (30) days after the vacancy occurs. If the vacancy occurred because the elected township assessor failed to qualify or was removed, the person who is appointed must be of the same political party **as the elected township assessor.**

SECTION 2. IC 4-4-6.1-1, AS AMENDED BY P.L.120-1999, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) There is created a nineteen (19) member enterprise zone board, referred to as the "board" in this chapter. The board consists of fifteen (15) voting members and four (4) nonvoting, advisory members. The members described in subsection (b)(1) through (b)(9) serve for four (4) year terms, except that for the initial

appointments to the board, six (6) members shall be appointed for two (2) year terms. Not more than ten (10) members may be from the same political party. The presence of at least eight (8) voting members is required to have a quorum for board meetings.

(b) The governor shall appoint fifteen (15) enterprise zone board members as follows:

(1) A representative of business.

(2) A representative of labor.

(3) A representative of the fire prevention and building safety commission.

(4) A representative of minority business.

(5) A representative of small business.

(6) A representative of a neighborhood association.

(7) A representative of municipal government.

(8) A representative of the state department of health.

(9) The lieutenant governor or his designee.

(10) A representative of the department of state revenue.

(11) A representative of the ~~state board of tax commissioners.~~ **department of local government finance.**

(12) A representative of the department of environmental management.

(13) A representative of the Indiana development finance authority.

(14) A representative of the Indiana business modernization and technology corporation.

(15) A representative of the department of workforce development.

(c) The president pro tempore of the state senate shall appoint two (2) state senators to the enterprise zone board.

(d) The speaker of the house of representatives shall appoint two (2) state representatives to the enterprise zone board.

(e) The four (4) legislative members appointed under subsections (c) and (d) are the nonvoting, advisory members of the board.

(f) Members may be dismissed only by the appointing authority and only for just cause. The governor shall fill any vacancy as it occurs for the remainder of ~~the~~ **its** term.

(g) The governor shall designate a chairman and vice chairman every two (2) years in the month in which the first meeting of the board is held or whenever a vacancy occurs.

(h) The board by rule shall provide for the conduct of its business and the performance of its duties.

(i) The department of commerce shall serve as the staff of the board.

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If an urban enterprise association created under section 4 of this chapter requests copies of forms filed with the board, the department of commerce shall forward copies of the requested forms to the urban enterprise association.

(j) Except as provided in subsection (k), a nonlegislative member is entitled to the minimum salary per diem as provided in IC 4-10-11-2.1(b) while performing his duties. Such a member is also entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with his duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(k) If a nonlegislative member of the board is an elected public official of local government, the member shall not be paid a salary. However, the board member shall be reimbursed for necessary expenses that are incurred in the performance of official duties.

(l) A legislative member is entitled to reimbursement as provided by law for traveling expenses and other expenses actually incurred in connection with his duties.

SECTION 3. IC 4-4-6.1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The board has the following powers, in addition to other powers ~~which~~ **that** are contained in this chapter:

(1) To review and approve or reject all applicants for enterprise zone designation, according to the criteria for designation which this chapter provides.

(2) To waive or modify rules as provided in this chapter.

(3) To provide a procedure by which enterprise zones may be monitored and evaluated on an annual basis.

(4) To adopt rules for the disqualification of a zone business from eligibility for any or all incentives available to zone businesses, if that zone business does not do one (1) of the following:

(A) If all of its incentives, as contained in the summary required under section 2.5 of this chapter, exceed one thousand dollars ($1,000) in any year, pay a registration fee to the board in an amount equal to one percent (1%) of all of its incentives.

(B) Use all of its incentives, except for the amount of registration fee, for its property or employees in the zone.

(C) Remain open and operating as a zone business for twelve (12) months of the assessment year for which the incentive is claimed.

(5) To disqualify a zone business from eligibility for any or all

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incentives available to zone businesses in accordance with the procedures set forth in the board's rules.

(6) After a recommendation from an urban enterprise association, to modify an enterprise zone boundary if the board determines that the modification:

(A) is in the best interests of the zone; and

(B) meets the threshold criteria and factors set forth in section 3 of this chapter.

(7) To employ staff and contract for services.

(8) To receive funds from any source and expend these funds for the administration and promotion of the enterprise zone program.

(9) To make determinations under IC 6-3.1-11 concerning the designation of locations as industrial recovery sites and the availability of the credit provided by IC 6-1.1-20.7 to persons owning inventory located on an industrial recovery site.

(10) To make determinations under IC 6-1.1-20.7 and IC 6-3.1-11 concerning the disqualification of persons from claiming credits provided by those chapters in appropriate cases.

(11) To make determinations under IC 6-3.1-11.5 concerning the designation of locations as military base recovery sites and the availability of the credit provided by IC 6-3.1-11.5 to persons making qualified investments in military base recovery sites.

(12) To make determinations under IC 6-3.1-11.5 concerning the disqualification of persons from claiming the credit provided by IC 6-3.1-11.5 in appropriate cases.

(b) In addition to a registration fee paid under subsection (a)(4), each zone business that receives a credit under this chapter shall assist the zone urban enterprise association created under section 4 of this chapter in an amount determined by the legislative body of the municipality in which the zone is located. If a zone business does not assist an urban enterprise association, the legislative body of the municipality in which the zone is located may pass an ordinance disqualifying a zone business from eligibility for all credits or incentives available to zone businesses. If a legislative body disqualifies a zone business under this subsection, the legislative body shall notify the board, the ~~state board of tax commissioners,~~ **department of local government finance,** and the department of state revenue in writing within thirty (30) days of the passage of the ordinance disqualifying the zone business. Disqualification of a zone business under this section is effective beginning with the taxable year in which the ordinance disqualifying the zone business is passed.

SECTION 4. IC 4-4-6.1-2.5, AS AMENDED BY P.L.289-2001,

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SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) Subject to subsections (c) and (d), a zone business that claims any of the incentives available to zone businesses shall, by letter postmarked before June 1 of each year:

(1) submit to the board and to the zone urban enterprise association created under section 4 of this chapter, on a form prescribed by the board, a verified summary concerning the amount of tax credits and exemptions claimed by the business in the preceding year; and

(2) pay the amount specified in section 2(4) of this chapter to the board.

(b) In order to determine the accuracy of the summary submitted under subsection (a), the board is entitled to obtain copies of a zone business' tax records directly from the department of state revenue, the ~~state board of tax commissioners,~~ **department of local government finance,** or a county official, notwithstanding the provisions of any other law. A summary submitted to a board or zone urban enterprise association, or a record obtained by the board, under this section is confidential. A board member, an urban enterprise association member, or an agent of a board member or an urban enterprise association member, who knowingly or intentionally discloses information that is confidential under this section commits a Class A misdemeanor.

(c) The board may grant one (1) extension of the time allowed to comply with subsection (a) under the provisions of this subsection. To qualify for an extension, a zone business must apply to the board by letter postmarked before June 1. The application must be in the form specified by the board. The extension may not be for a period that is longer than forty-five (45) days under rules adopted by the board under IC 4-22-2.

(d) If a zone business that did not comply with subsection (a) before June 1 and did not file for an extension under subsection (c) before June 1 complies with subsection (a) before July 16, the amount of the tax credit and exemption incentives for the preceding year that were otherwise available to the zone business because the business was a zone business are waived, unless the zone business pays to the board a penalty equal to fifteen percent (15%) of the amount of the tax credit and exemption incentives for the preceding year that were otherwise available to the zone business because the business was a zone business. A zone business that pays a penalty under this subsection for a year must pay the penalty to the board before July 16 of that year. The board shall deposit any penalty payments received under this subsection in the enterprise zone fund.

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(e) This subsection is in addition to any other sanction imposed by subsection (d) or any other law. If a zone business fails to comply with subsection (a) before July 16 and does not pay any penalty required under subsection (d) by letter postmarked before July 16 of that year, the zone business:

(1) is denied all of the tax credit and exemption incentives available to a zone business because the business was a zone business for that year; and

(2) is disqualified from further participation in the enterprise zone program under this chapter until the zone business:

(A) petitions the board for readmission to the enterprise zone program under this chapter; and

(B) pays a civil penalty of one hundred dollars ($100).

SECTION 5. IC 4-4-6.1-2.6, AS ADDED BY P.L.120-1999, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.6. (a) This section applies to records and other information, including records and information that are otherwise confidential, maintained by the following:

(1) The board.

(2) An urban enterprise association.

(3) The department of state revenue.

(4) The department of commerce.

(5) The ~~state board of tax commissioners.~~ **department of local government finance.**

(6) A county auditor.

(7) A township assessor.

(b) A person listed in subsection (a) may request a second person described in subsection (a) to provide any records or other information maintained by the second person that concern an individual or business that is receiving a tax deduction, exemption, or credit related to an enterprise zone. Notwithstanding any other law, the person to whom the request is made under this section must comply with the request. A person receiving records or information under this section that are confidential must also keep the records or information confidential.

(c) A person who receives confidential records or information under this section and knowingly or intentionally discloses the records or information to an unauthorized person commits a Class A misdemeanor.

SECTION 6. IC 4-4-6.1-6, AS AMENDED BY P.L.204-1999, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) Any business which substantially reduces or ceases an operation located in Indiana and outside an

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enterprise zone (referred to as a non-zone operation) in order to relocate in an Indiana enterprise zone is disqualified from benefits or incentives available to zone businesses. Determinations under this section shall be made by a hearing panel composed of the chairman of the board or the chairman's designee, the commissioner of the department of state revenue or the commissioner's designee, and the ~~chairman of the state board of tax commissioners or the chairman's designee.~~ **commissioner of the department of local government finance or the commissioner's designee.** The panel, after an evidentiary hearing held subsequent to the relocation of the business, shall submit a recommended order to the board for its adoption. The recommended order shall be based on the following criteria and subsection (b):

(1) A site-specific economic activity, including sales, leasing, service, manufacturing, production, storage of inventory, or any activity involving permanent full-time or part-time employees shall be considered a business operation.

(2) With respect to a non-zone operation, any of the following that occurs during the twelve (12) months before the completion of the physical relocation of all or part of the activity described in subdivision (1) from the non-zone operation to the zone as compared with the twelve (12) months before that twelve (12) months shall be considered a substantial reduction:

(A) A reduction in the average number of full-time or part-time employees of the lesser of one hundred (100) employees or twenty-five percent (25%) of all employees.

(B) A twenty-five percent (25%) reduction in the average number of goods manufactured or produced.

(C) A twenty-five percent (25%) reduction in the average value of services provided.

(D) A ten percent (10%) reduction in the average value of stored inventory.

(E) A twenty-five percent (25%) reduction in the average amount of gross income.

(b) Notwithstanding subsection (a), a business that would otherwise be disqualified under subsection (a) is eligible for benefits and incentives available to zone businesses if each of the following conditions is met:

(1) The business relocates its non-zone operation for any of the following reasons:

(A) The lease on property necessary for the non-zone operation has been involuntarily lost through no fault of the

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business.

(B) The space available at the location of the non-zone operation cannot accommodate planned expansion needed by the business.

(C) The building for the non-zone operation has been certified as uninhabitable by a state or local building authority.

(D) The building for the non-zone operation has been totally destroyed through no fault of the business.

(E) The renovation and construction costs at the location of the non-zone operation are more than one and one-half (1 1/2) times the costs of purchase, renovation, and construction of a facility in the zone, as certified by three (3) independent estimates.

A business is eligible for benefits and incentives under clause (C) or (D) only if renovation and construction costs at the location of the non-zone operation are more than one and one-half (1 1/2) times the cost of purchase, renovation, and construction of a facility in the zone. These costs must be certified by three (3) independent estimates.

(2) The business has not terminated or reduced the pension or health insurance obligations payable to employees or former employees of the non-zone operation without the consent of the employees.

(c) The hearing panel shall cause to be delivered to the business and to any person who testified before the panel in favor of disqualification of the business a copy of the panel's recommended order. The business and these persons shall be considered parties for the purposes of this section.

(d) A party who wishes to oppose the board's adoption of the recommended order of the hearing panel shall, within ten (10) days of the party's receipt of the recommended order, file written objections with the board. If the objections are filed, the board shall set the objections for oral argument and give notice to the parties. A party at its own expense may cause to be filed with the board a transcript of the oral testimony or any other part of the record of the proceedings. The oral argument shall be on the record filed with the board. The board may hear additional evidence or remand the action to the hearing panel with instructions appropriate to the expeditious and proper disposition of the action. The board may adopt the recommendations of the hearing panel, may amend or modify the recommendations, or may make such order or determination as is proper on the record.

(e) If no objections are filed, the board may adopt the recommended

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order without oral argument. If the board does not adopt the proposed findings of fact and recommended order, the parties shall be notified and the action shall be set for oral argument as provided in subsection (d).

(f) The final determination made by the board shall be made by a majority of the quorum needed for board meetings.

SECTION 7. IC 4-10-13-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The ~~state board of tax commissioners~~ **department of local government finance** shall prepare and publish each year the following report which must contain the following property tax data by counties or by appropriate taxing jurisdictions:

(1) The tax rates of the various taxing jurisdictions.

(2) An abstract of taxable real property including a recital of the number of parcels and the gross assessed valuation of nonfarm residential property including improvements thereon, the number of parcels and the gross assessed valuation of commercial and industrial real property, including improvements thereon, the number of parcels and the gross assessed valuation of unimproved real property, the number of parcels and the gross assessed valuation of agricultural acreage including improvements thereon, and the total amount of the gross assessed valuation of real estate and the total assessed valuation of improvements thereon. The abstract shall also include a recital of the total amount of net valuation of real property.

(3) The total assessed valuation of personal property belonging to steam and electric railways and to public utilities.

(4) The total number of taxpayers and the total assessed valuation of household goods and personal effects, excluding boats subject to the boat excise tax under IC 6-6-11.

(5) The total number of units assessed and the assessed valuation of each of the following items of personal property:

(A) Privately owned, noncommercial passenger cars.
(B) Commercial passenger cars.
(C) Trucks and tractors.
(D) Motorcycles.
(E) Buses.
(F) Mobile homes.
(G) Boats.
(H) Airplanes.
(I) Farm machinery.
(J) Livestock.

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(K) Crops.

(6) The total number of taxpayers and the total valuation of inventories and other personal property belonging to retail establishments, wholesale establishments, manufacturing establishments, and commercial establishments.

(b) The ~~state board of tax commissioners~~ **department of local government finance** is hereby authorized to prescribe and promulgate the forms as are necessary for the obtaining of such information from local assessing officials. The local assessing officials are directed to comply with this section.

SECTION 8. IC 4-10-13-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. **(a)** The manner of publication of any of the reports as herein required shall be prescribed by the state budget committee, and the cost of publication shall be paid from funds appropriated to such state agencies and allocated by the state budget committee to such agencies for such purpose.

(b) A copy of such reports shall be presented to the governor, the ~~state board of tax commissioners,~~ **department of local government finance,** the ~~state~~ budget committee, the commission on state tax and financing policy, the ~~Indiana~~ legislative ~~advisory commission,~~ **council** and to any other state agency that may request a copy of such reports.

SECTION 9. IC 4-22-2-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. (a) If incorporation of the text in full would be cumbersome, expensive, or otherwise inexpedient, an agency may incorporate by reference into a rule part or all of any of the following matters:

(1) A federal or state statute, rule, or regulation.

(2) A code, manual, or other standard adopted by an agent of the United States, a state, or a nationally recognized organization or association.

(3) A manual of the ~~state board of tax commissioners~~ **department of local government finance** adopted in a rule described in IC 6-1.1-31-9.

(b) Each matter incorporated by reference under subsection (a) must be fully and exactly described.

(c) An agency may refer to a matter that is directly or indirectly referred to in a primary matter by fully and exactly describing the primary matter.

(d) Whenever an agency submits a rule to the attorney general, the governor, or the secretary of state under this chapter, the agency shall also submit a copy of the full text of each matter incorporated by

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reference under subsection (a) into the rule, other than the following:

(1) An Indiana statute or rule.

(2) A form or instructions for a form numbered by the commission on public records under IC 5-15-5.1-6.

(3) The source of a statement that is quoted or paraphrased in full in the rule.

(4) Any matter that has been filed with the secretary of state before the date that the rule containing the incorporation is filed.

(5) Any matter referred to in subsection (c) as a matter that is directly or indirectly referred to in a primary matter.

SECTION 10. IC 4-22-2.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. This chapter does not apply to the following:

(1) Rules adopted by the department of state revenue.

(2) Rules adopted by the ~~state board of tax commissioners.~~ **department of local government finance.**

(3) Rules adopted by the Indiana board of tax review.

~~(3)~~ **(4)** Rules adopted under IC 13-14-9 by the department of environmental management or a board that has rulemaking authority under IC 13.

~~(4)~~ **(5)** A rule that incorporates a federal regulation by reference or adopts under a federal mandate a federal regulation in its entirety without substantive additions.

SECTION 11. IC 4-22-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. Where under the provisions of any statute, the ~~State Board of Tax Commissioners~~ **department of local government finance or the Indiana board of tax review (referred to as "the Indiana board" in this section)** is required to conduct a hearing, **the commissioner of the department or** a member or members of ~~such~~ **the Indiana** board need not be present or preside at such hearing, but the **commissioner or the Indiana** board shall have the power, by an order in writing, to appoint to so preside hearing officers whose duties shall be prescribed in ~~such~~ **the** order. In the discharge of their duties, ~~such~~ **the** hearing officers shall have all the powers to investigate and to require evidence granted to the **department or the Indiana** board. The **department or the Indiana** board may conduct any number of hearings contemporaneously through different hearing officers. At the conclusion of a hearing, the hearing officer shall make a written report thereof. After receipt of ~~such~~ **the** report the **department or the Indiana** board may take further evidence or hold further hearings. The decisions of the **department or the Indiana** board shall be based upon

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~~such~~ **the** report, additional evidence, and records as the **department or Indiana** board deems pertinent.

SECTION 12. IC 5-1-14-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Any bonds, notes, or warrants, whether payable from property taxes, revenues, or any other source, are not subject to the maximum interest rate limitations contained in any law enacted before December 31, 1982, if they are issued by or in the name of any entity named in IC 5-1-1-1.

(b) After July 1, 1979, any bond, coupon, certificate of indebtedness, or installment payment payable by a city, town, or property holder for public improvements under the Barrett Law is not subject to any maximum interest rate limitation. This subsection does not apply to interest rates or penalties on delinquencies provided under the Barrett Law.

(c) This section does not limit an interest rate review conducted by the ~~state board of tax commissioners~~ **department of local government finance** under IC 6-1.1-20-7.

SECTION 13. IC 5-1-16-42 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 42. (a) When the authority, the board of trustees or board of managers of the hospital, the board of commissioners of the county, and a majority of the county council have agreed upon the terms and conditions of any lease proposed to be entered into under section 38 or 39 of this chapter, and before the final execution of the lease, the county auditor shall give notice by publication of a public hearing to be held in the county by the board of commissioners. The hearing shall take place on a day not earlier than ten (10) days after the publication of the notice. The notice of the hearing shall be published one (1) time in a newspaper of general circulation printed in the English language and published in the county. The notice shall do the following:

(1) Name the day, place, and hour of the hearing.

(2) Set forth a brief summary of the principal terms of the lease agreed upon, including the character and location of the property to be leased, the lease rental to be paid, and the number of years the contract is to be in effect.

(3) State a location where the proposed lease, drawings, plans, specifications, and estimates may be examined.

The proposed lease and the drawings, plans, specifications, and estimates of construction cost for the building shall be open to inspection by the public during the ten (10) day period and at the hearing. All interested persons shall have a right to be heard at the hearing on the necessity for the execution of the lease and whether the

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lease rental under the lease is fair and reasonable. The hearing may be adjourned to a later date with the place of the hearing fixed prior to adjournment. Following the hearing, the board of commissioners may either authorize the execution of the lease as originally agreed upon or may make modifications that are agreed upon by the authority, the board of trustees or board of managers of the hospital, and the county council. The authorization shall be by an order that is entered in the official records of the board of commissioners. The lease contract shall be executed on behalf of the county by the board of commissioners.

(b) If the execution of the lease as originally agreed upon or as modified by agreement is authorized, notice of the signing of the lease shall be given on behalf of the county by publication one (1) time in a newspaper of general circulation printed in the English language and published in the county. Except as provided in subsection (d), ten (10) or more taxpayers in the county whose tax rate will be affected by the proposed lease and who may be of the opinion that no necessity exists for the execution of the lease or that the lease rental under the lease is not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after publication of notice of the execution of the lease that sets forth the taxpayers' objections and facts supporting those objections. Upon the filing of a petition, the county auditor shall immediately certify a copy of the petition together with such other data as may be necessary in order to present the questions involved to the ~~state board of tax commissioners.~~ **department of local government finance.** Upon receipt of the certified petition and information, the ~~state board of tax commissioners~~ **department of local government finance** shall fix a time and place in the affected county for the hearing of the matter that is not less than five (5) or more than fifteen (15) days after receipt. Notice of the hearing shall be given by the ~~state board of tax commissioners~~ **department of local government finance** to the board of county commissioners and to the first ten (10) taxpayer petitioners upon the petition by certified mail sent to the addresses listed on the petition at least five (5) days before the date of the hearing.

(c) No action to contest the validity of the lease or to enjoin the performance of any of the terms and conditions of the lease shall be instituted at any time later than thirty (30) days after publication of notice of the execution of the lease, or if an appeal has been taken to the ~~state board of tax commissioners,~~ **department of local government finance,** then within thirty (30) days after the decision of ~~that board.~~ **the department.**

(d) The authority for taxpayers to object to a proposed lease under

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subsection (b) does not apply if the authority complies with the procedures for the issuance of bonds and other evidences of indebtedness described in IC 6-1.1-20-3.1 and IC 6-1.1-20-3.2.

SECTION 14. IC 5-3-1-2, AS AMENDED BY P.L.153-1999, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) This section applies only when notice of an event is required to be given by publication in accordance with IC 5-3-1.

(b) If the event is a public hearing or meeting concerning any matter not specifically mentioned in subsection (c), (d), (e), (f), (g), or (h) notice shall be published one (1) time, at least ten (10) days before the date of the hearing or meeting.

(c) If the event is an election, notice shall be published one (1) time, at least ten (10) days before the date of the election.

(d) If the event is a sale of bonds, notes, or warrants, notice shall be published two (2) times, at least one (1) week apart, with:

(1) the first publication made at least fifteen (15) days before the date of the sale; and

(2) the second publication made at least three (3) days before the date of the sale.

(e) If the event is the receiving of bids, notice shall be published two (2) times, at least one (1) week apart, with the second publication made at least seven (7) days before the date the bids will be received.

(f) If the event is the establishment of a cumulative or sinking fund, notice of the proposal and of the public hearing that is required to be held by the political subdivision shall be published two (2) times, at least one (1) week apart, with the second publication made at least three (3) days before the date of the hearing.

(g) If the event is the submission of a proposal adopted by a political subdivision for a cumulative or sinking fund for the approval of the ~~state board of tax commissioners,~~ **department of local government finance,** the notice of the submission shall be published one (1) time. The political subdivision shall publish the notice when directed to do so by the ~~state board of tax commissioners.~~ **department of local government finance.**

(h) If the event is the required publication of an ordinance, notice of the passage of the ordinance shall be published one (1) time within thirty (30) days after the passage of the ordinance.

(i) If the event is one about which notice is required to be published after the event, notice shall be published one (1) time within thirty (30) days after the date of the event.

(j) If the event is anything else, notice shall be published two (2)

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times, at least one (1) week apart, with the second publication made at least three (3) days before the event.

(k) In case any officer charged with the duty of publishing any notice required by law is unable to procure advertisement at the price fixed by law, or the newspaper refuses to publish the advertisement, it is sufficient for the officer to post printed notices in three (3) prominent places in the political subdivision, instead of advertisement in newspapers.

(l) If a notice of budget estimates for a political subdivision is published as required in IC 6-1.1-17-3, and the published notice contains an error due to the fault of a newspaper, the notice as presented for publication is a valid notice under this chapter.

(m) Notwithstanding subsection (j), if a notice of budget estimates for a political subdivision is published as required in IC 6-1.1-17-3, and if the notice is not published at least ten (10) days before the date fixed for the public hearing on the budget estimate due to the fault of a newspaper, the notice is a valid notice under this chapter if it is published one (1) time at least three (3) days before the hearing.

SECTION 15. IC 5-10-7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) When any unit of government of this state acts as a receiving agency, employees of the sending agency who are assigned under authority of this chapter may:

(1) be given appointments in the receiving agency covering the periods of such assignments, with compensation to be paid from receiving agency funds or without compensation; or

(2) be considered to be on detail to the receiving agency.

(b) Appointments of persons so assigned may be made without regard to the statutes or rules governing the selection of employees of the receiving agency.

(c) Employees who are detailed to the receiving agency shall not by virtue of such detail be considered to be employees thereof, except as provided in subsection (d), nor shall they be paid a salary or wage by the receiving agency during the period of their detail, except in special cases upon written permission by the state board of accounts such employee or employees shall be paid fully by special appropriation approved by the county council and the ~~state board of tax commissioners.~~ **department of local government finance.** The supervision of the duties of such employees during the period of detail may be governed by agreement between the sending agency and the receiving agency.

(d) Any employee of a sending agency assigned in this state who

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suffers disability or death as a result of personal injury arising out of and in the course of such assignment or sustained in the performance of duties in connection therewith shall be treated for the purpose of receiving agency's employee compensation program as an employee, as defined in such statute, who has sustained such injury in the performance of such duty, but shall not receive benefits under that statute for any period for which he elects to receive similar benefits as an employee under the sending agency's employee compensation program.

SECTION 16. IC 5-14-1.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. For the purposes of this chapter:

(a) "Public agency" means the following:

(1) Any board, commission, department, agency, authority, or other entity, by whatever name designated, exercising a portion of the executive, administrative, or legislative power of the state.

(2) Any county, township, school corporation, city, town, political subdivision, or other entity, by whatever name designated, exercising in a limited geographical area the executive, administrative, or legislative power of the state or a delegated local governmental power.

(3) Any entity which is subject to either:

(A) budget review by either the ~~state board of tax commissioners~~ **department of local government finance** or the governing body of a county, city, town, township, or school corporation; or

(B) audit by the state board of accounts.

(4) Any building corporation of a political subdivision of the state of Indiana that issues bonds for the purpose of constructing public facilities.

(5) Any advisory commission, committee, or body created by statute, ordinance, or executive order to advise the governing body of a public agency, except medical staffs or the committees of any such staff.

(6) The Indiana gaming commission established by IC 4-33, including any department, division, or office of the commission.

(7) The Indiana horse racing commission established by IC 4-31, including any department, division, or office of the commission.

(b) "Governing body" means two (2) or more individuals who are:

(1) a public agency that:

(A) is a board, a commission, an authority, a council, a committee, a body, or other entity; and

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(B) takes official action on public business;

(2) the board, commission, council, or other body of a public agency which takes official action upon public business; or

(3) any committee appointed directly by the governing body or its presiding officer to which authority to take official action upon public business has been delegated. An agent or agents appointed by a school corporation to conduct collective bargaining on behalf of that school corporation does not constitute a governing body for purposes of this chapter.

(c) "Meeting" means a gathering of a majority of the governing body of a public agency for the purpose of taking official action upon public business. It does not include:

(1) any social or chance gathering not intended to avoid this chapter;

(2) any on-site inspection of any project or program;

(3) traveling to and attending meetings of organizations devoted to betterment of government; or

(4) a caucus.

(d) "Official action" means to:

(1) receive information;

(2) deliberate;

(3) make recommendations;

(4) establish policy;

(5) make decisions; or

(6) take final action.

(e) "Public business" means any function upon which the public agency is empowered or authorized to take official action.

(f) "Executive session" means a meeting from which the public is excluded, except the governing body may admit those persons necessary to carry out its purpose.

(g) "Final action" means a vote by the governing body on any motion, proposal, resolution, rule, regulation, ordinance, or order.

(h) "Caucus" means a gathering of members of a political party or coalition which is held for purposes of planning political strategy and holding discussions designed to prepare the members for taking official action.

(i) "Deliberate" means a discussion which may reasonably be expected to result in official action (defined under subsection (d)(3), (d)(4), (d)(5), or (d)(6)).

(j) "News media" means all newspapers qualified to receive legal advertisements under IC 5-3-1, all news services (as defined in IC 34-6-2-87), and all licensed commercial or public radio or television

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stations.

(k) "Person" means an individual, a corporation, a limited liability company, a partnership, an unincorporated association, or a governmental entity.

SECTION 17. IC 5-14-1.5-5, AS AMENDED BY P.L.251-1999, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Public notice of the date, time, and place of any meetings, executive sessions, or of any rescheduled or reconvened meeting, shall be given at least forty-eight (48) hours (excluding Saturdays, Sundays, and legal holidays) before the meeting. This requirement does not apply to reconvened meetings (not including executive sessions) where announcement of the date, time, and place of the reconvened meeting is made at the original meeting and recorded in the memoranda and minutes thereof, and there is no change in the agenda.

(b) Public notice shall be given by the governing body of a public agency by:

(1) posting a copy of the notice at the principal office of the public agency holding the meeting or, if no such office exists, at the building where the meeting is to be held; and

(2) depositing in the United States mail with postage prepaid or by delivering notice to all news media which deliver by January 1 an annual written request for such notices for the next succeeding calendar year to the governing body of the public agency. If a governing body comes into existence after January 1, it shall comply with this subdivision upon receipt of a written request for notice.

In addition, a state agency (as defined in IC 4-13-1-1) shall provide electronic access to the notice through the computer gateway administered by the intelenet commission under IC 5-21-2.

(c) Notice of regular meetings need be given only once each year, except that an additional notice shall be given where the date, time, or place of a regular meeting or meetings is changed. This subsection does not apply to executive sessions.

(d) If a meeting is called to deal with an emergency involving actual or threatened injury to person or property, or actual or threatened disruption of the governmental activity under the jurisdiction of the public agency by any event, then the time requirements of notice under this section shall not apply, but:

(1) news media which have requested notice of meetings must be given the same notice as is given to the members of the governing body; and

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(2) the public must be notified by posting a copy of the notice according to this section.

(e) This section shall not apply where notice by publication is required by statute, ordinance, rule, or regulation.

(f) This section shall not apply to:

(1) the ~~state board of tax commissioners~~ **department of local government finance, the Indiana board of tax review,** or any other governing body which meets in continuous session, except that this section applies to meetings of these governing bodies which are required by or held pursuant to statute, ordinance, rule, or regulation; or

(2) the executive of a county or the legislative body of a town if the meetings are held solely to receive information or recommendations in order to carry out administrative functions, to carry out administrative functions, or confer with staff members on matters relating to the internal management of the unit. "Administrative functions" do not include the awarding of contracts, the entering into contracts, or any other action creating an obligation or otherwise binding a county or town.

(g) This section does not apply to the general assembly.

(h) Notice has not been given in accordance with this section if a governing body of a public agency convenes a meeting at a time so unreasonably departing from the time stated in its public notice that the public is misled or substantially deprived of the opportunity to attend, observe, and record the meeting.

SECTION 18. IC 5-14-3-2, AS AMENDED BY P.L.204-2001, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter:

"Copy" includes transcribing by handwriting, photocopying, xerography, duplicating machine, duplicating electronically stored data onto a disk, tape, drum, or any other medium of electronic data storage, and reproducing by any other means.

"Direct cost" means one hundred five percent (105%) of the sum of the cost of:

(1) the initial development of a program, if any;

(2) the labor required to retrieve electronically stored data; and

(3) any medium used for electronic output;

for providing a duplicate of electronically stored data onto a disk, tape, drum, or other medium of electronic data retrieval under section 8(g) of this chapter, or for reprogramming a computer system under section 6(c) of this chapter.

"Electronic map" means copyrighted data provided by a public

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agency from an electronic geographic information system.

"Enhanced access" means the inspection of a public record by a person other than a governmental entity and that:

(1) is by means of an electronic device other than an electronic device provided by a public agency in the office of the public agency; or

(2) requires the compilation or creation of a list or report that does not result in the permanent electronic storage of the information.

"Facsimile machine" means a machine that electronically transmits exact images through connection with a telephone network.

"Inspect" includes the right to do the following:

(1) Manually transcribe and make notes, abstracts, or memoranda.

(2) In the case of tape recordings or other aural public records, to listen and manually transcribe or duplicate, or make notes, abstracts, or other memoranda from them.

(3) In the case of public records available:

(A) by enhanced access under section 3.5 of this chapter; or

(B) to a governmental entity under section 3(c)(2) of this chapter;

to examine and copy the public records by use of an electronic device.

(4) In the case of electronically stored data, to manually transcribe and make notes, abstracts, or memoranda or to duplicate the data onto a disk, tape, drum, or any other medium of electronic storage.

"Investigatory record" means information compiled in the course of the investigation of a crime.

"Patient" has the meaning set out in IC 16-18-2-272(d).

"Person" means an individual, a corporation, a limited liability company, a partnership, an unincorporated association, or a governmental entity.

"Provider" has the meaning set out in IC 16-18-2-295(a) and includes employees of the state department of health or local boards of health who create patient records at the request of another provider or who are social workers and create records concerning the family background of children who may need assistance.

"Public agency" means the following:

(1) Any board, commission, department, division, bureau, committee, agency, office, instrumentality, or authority, by whatever name designated, exercising any part of the executive, administrative, judicial, or legislative power of the state.

(2) Any:

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(A) county, township, school corporation, city, or town, or any board, commission, department, division, bureau, committee, office, instrumentality, or authority of any county, township, school corporation, city, or town;

(B) political subdivision (as defined by IC 36-1-2-13); or

(C) other entity, or any office thereof, by whatever name designated, exercising in a limited geographical area the executive, administrative, judicial, or legislative power of the state or a delegated local governmental power.

(3) Any entity or office that is subject to:

(A) budget review by either the ~~state board of tax commissioners~~ **department of local government finance** or the governing body of a county, city, town, township, or school corporation; or

(B) an audit by the state board of accounts.

(4) Any building corporation of a political subdivision that issues bonds for the purpose of constructing public facilities.

(5) Any advisory commission, committee, or body created by statute, ordinance, or executive order to advise the governing body of a public agency, except medical staffs or the committees of any such staff.

(6) Any law enforcement agency, which means an agency or a department of any level of government that engages in the investigation, apprehension, arrest, or prosecution of alleged criminal offenders, such as the state police department, the police or sheriff's department of a political subdivision, prosecuting attorneys, members of the excise police division of the alcohol and tobacco commission, conservation officers of the department of natural resources, and the security division of the state lottery commission.

(7) Any license branch staffed by employees of the bureau of motor vehicles commission under IC 9-16.

(8) The state lottery commission, including any department, division, or office of the commission.

(9) The Indiana gaming commission established under IC 4-33, including any department, division, or office of the commission.

(10) The Indiana horse racing commission established by IC 4-31, including any department, division, or office of the commission.

"Public record" means any writing, paper, report, study, map, photograph, book, card, tape recording, or other material that is created, received, retained, maintained, used, or filed by or with a public agency and which is generated on paper, paper substitutes,

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photographic media, chemically based media, magnetic or machine readable media, electronically stored data, or any other material, regardless of form or characteristics.

"Standard-sized documents" includes all documents that can be mechanically reproduced (without mechanical reduction) on paper sized eight and one-half (8 1/2) inches by eleven (11) inches or eight and one-half (8 1/2) inches by fourteen (14) inches.

"Trade secret" has the meaning set forth in IC 24-2-3-2.

"Work product of an attorney" means information compiled by an attorney in reasonable anticipation of litigation and includes the attorney's:

(1) notes and statements taken during interviews of prospective witnesses; and

(2) legal research or records, correspondence, reports, or memoranda to the extent that each contains the attorney's opinions, theories, or conclusions.

This definition does not restrict the application of any exception under section 4 of this chapter.

SECTION 19. IC 5-21-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. "Authorized user" means:

(1) any board, commission, department, agency, or authority, by whatever name designated, exercising a portion of the executive, administrative, legislative, or judicial power of the state;

(2) any county, city, town, township, school corporation, political subdivision, or other entity, by whatever name designated, exercising in a limited geographical area the executive, administrative, legislative, or judicial power of the state or a local governmental power;

(3) any entity that is subject to:

(A) budget review by the ~~state board of tax commissioners~~ **department of local government finance** or the governing body of a county, city, town, township, or school corporation; or

(B) audit by the state board of accounts;

(4) any building corporation of a political subdivision of the state that issues bonds for the purpose of constructing public facilities;

(5) any advisory commission, committee, or body created by statute, ordinance, or executive order and requiring the use of the intelenet system;

(6) the Indiana higher education telecommunications system (IC 20-12-12) and all of the colleges and universities included in that

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system;

(7) any Indiana broadcasting station licensed by the Federal Communications Commission as a noncommercial radio or television station for the purposes of educational programming;

(8) any community network; or

(9) any nonpublic school (as defined in IC 20-10.1-1-3).

SECTION 20. IC 6-1.1-1-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. "Real property" means:

(1) land located within this state;

(2) a building or fixture situated on land located within this state;

(3) an appurtenance to land located within this state;

(4) an estate in land located within this state, or an estate, right, or privilege in mines located on or minerals, including but not limited to oil or gas, located in the land, if the estate, right, or privilege is distinct from the ownership of the surface of the land; and

(5) notwithstanding IC 6-6-6-7, a riverboat licensed under the provisions of IC 4-33 for which the ~~state board of tax commissioners~~ **department of local government finance** shall prescribe standards to be used by township assessors.

SECTION 21. IC 6-1.1-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Except as provided in subsection (c), ~~of this section,~~ personal property which is owned by a person who is a resident of this state shall be assessed at the place where the owner resides on the assessment date of the year for which the assessment is made.

(b) Except as provided in subsection (c), ~~of this section,~~ personal property which is owned by a person who is not a resident of this state shall be assessed at the place where the owner's principal office within this state is located on the assessment date of the year for which the assessment is made.

(c) Personal property shall be assessed at the place where it is situated on the assessment date of the year for which the assessment is made if the property is:

(1) regularly used or permanently located where it is situated; or

(2) owned by a nonresident who does not have a principal office within this state.

(d) If a personal property return is filed pursuant to subsection (c), the owner of the property shall provide, within forty-five (45) days after the filing deadline, a copy or other written evidence of the filing of the return to the assessor of the township in which the owner resides. If

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such evidence is not filed within forty-five (45) days after the filing deadline, the assessor of the township in which the owner resides shall determine if the owner filed a personal property return in the township where the property is situated. If such a return was filed, the property shall be assessed where it is situated. If such a return was not filed, the assessor of the township where the owner resides shall notify the assessor of the township where the property is situated, and the property shall be assessed where it is situated. This subsection does not apply to a taxpayer who:

(1) is required to file duplicate personal property returns under section 7(c) of this chapter and under regulations promulgated by the ~~state board of tax commissioners~~ **department of local government finance** with respect to that section; or

(2) is required by the ~~state board of tax commissioners~~ **department of local government finance** to file a summary of the taxpayer's business tangible personal property returns.

SECTION 22. IC 6-1.1-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) If a question arises as to the proper place to assess personal property, the county assessor shall determine the place if the conflict involves different townships which are located within the county the assessor serves. If the conflict involves different counties, the ~~state board of tax commissioners~~ **department of local government finance** shall determine the proper place of assessment.

(b) A determination made under this section by a county assessor or the ~~state board of tax commissioners~~ **department of local government finance** is final.

(c) If taxes are paid to a county which is not entitled to collect them, the ~~state board of tax commissioners~~ **department of local government finance** may direct the authorities of the county which wrongfully collected the taxes to refund the taxes collected and any penalties charged on the taxes.

SECTION 23. IC 6-1.1-3-7.5, AS AMENDED BY P.L.198-2001, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.5. (a) A taxpayer may file an amended personal property tax return, in conformity with the rules adopted by the ~~state board of tax commissioners (before the board was abolished) or the~~ department of local government finance, not more than six (6) months after the later of the following:

(1) The filing date for the original personal property tax return. if the taxpayer is not granted an extension in which to file under section 7 of this chapter.

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(2) The extension date for the original personal property tax return, if the taxpayer is granted an extension under section 7 of this chapter.

(b) A tax adjustment related to an amended personal property tax return shall be made in conformity with rules adopted under IC 4-22-2 by the ~~state board of tax commissioners (before the board was abolished) or the~~ department of local government finance.

(c) If a taxpayer wishes to correct an error made by the taxpayer on the taxpayer's original personal property tax return, the taxpayer must file an amended personal property tax return under this section within the time required by subsection (a). A taxpayer may claim on an amended personal property tax return any adjustment or exemption that would have been allowable under any statute or rule adopted by the ~~state board of tax commissioners (before the board was abolished) or the~~ department of local government finance if the adjustment or exemption had been claimed on the original personal property tax return.

(d) Notwithstanding any other provision, if:

(1) a taxpayer files an amended personal property tax return under this section in order to correct an error made by the taxpayer on the taxpayer's original personal property tax return; and

(2) the taxpayer is entitled to a refund of personal property taxes paid by the taxpayer under the original personal property tax return;

the taxpayer is not entitled to interest on the refund.

(e) If a taxpayer files an amended personal property tax return for a year before July 16 of that year, the taxpayer shall pay taxes payable in the immediately succeeding year based on the assessed value reported on the amended return.

(f) If a taxpayer files an amended personal property tax return for a year after July 15 of that year, the taxpayer shall pay taxes payable in the immediately succeeding year based on the assessed value reported on the taxpayer's original personal property tax return. A taxpayer that paid taxes under this subsection is entitled to a credit in the amount of taxes paid by the taxpayer on the remainder of:

(1) the assessed value reported on the taxpayer's original personal property tax return; minus

(2) the finally determined assessed value that results from the filing of the taxpayer's amended personal property tax return.

Except as provided in subsection (k), the county auditor shall apply the credit against the taxpayer's property taxes on personal property payable in the year that immediately succeeds the year in which the

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taxes were paid.

(g) If the amount of the credit to which the taxpayer is entitled under subsection (f) exceeds the amount of the taxpayer's property taxes on personal property payable in the year that immediately succeeds the year in which the taxes were paid, the county auditor shall apply the amount of the excess credit against the taxpayer's property taxes on personal property in the next succeeding year.

(h) Not later than December 31 of the year in which a credit is applied under subsection (g), the county auditor shall refund to the taxpayer the amount of any excess credit that remains after application of the credit under subsection (g).

(i) The taxpayer is not required to file an application for:

(1) a credit under subsection (f) or (g); or

(2) a refund under subsection (h).

(j) Before August 1 of each year, the county auditor shall provide to each taxing unit in the county an estimate of the total amount of the credits under subsection (f) or (g) that will be applied against taxes imposed by the taxing unit that are payable in the immediately succeeding year.

(k) A county auditor may refund a credit amount to a taxpayer before the time the credit would otherwise be applied against property tax payments under this section.

SECTION 24. IC 6-1.1-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) In completing a personal property return for a year, a taxpayer shall make a complete disclosure of all information required by the ~~state board of tax commissioners,~~ **department of local government finance** that is related to the value, nature, or location of personal property:

(1) ~~which he~~ **that the taxpayer** owned on the assessment date of that year; or

(2) ~~which he~~ **that the taxpayer** held, possessed, or controlled on the assessment date of that year.

(b) The taxpayer shall certify to the truth of:

(1) all information appearing in a personal property return; and

(2) all data accompanying the return.

SECTION 25. IC 6-1.1-3-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) If a taxpayer owns, holds, possesses, or controls personal property which is located in two (2) or more townships, he shall file any additional returns with the ~~state board of tax commissioners~~ **department of local government finance** which the ~~board~~ **department of local government finance** may require by regulation.

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(b) If a taxpayer owns, holds, possesses, or controls personal property which is located in two (2) or more taxing districts within the same township, he shall file a separate personal property return covering the property in each taxing district.

SECTION 26. IC 6-1.1-3-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) For purposes of this section, "inventory" means:

(1) materials held for processing or for use in production;

(2) finished or partially finished goods of a manufacturer or processor; and

(3) property held for sale in the ordinary course of trade or business.

(b) If the inventory owned or held by a taxpayer on the assessment date of a year does not, in his opinion, fairly represent the average inventory carried by him, the taxpayer may elect to list his inventory for assessment on the basis of the average true tax value of the inventory owned or held by the taxpayer during the preceding calendar year, or during the portion of the preceding calendar year that the taxpayer was engaged in business.

(c) If a taxpayer elects to use the average method, he shall notify the township assessor of the election at the time he files his personal property return. The election, once made, is binding on the taxpayer for the tax year in question and for each year thereafter unless permission to change is granted by the ~~state board of tax commissioners.~~ **department of local government finance.**

(d) If a taxpayer elects to use the average method, he shall use that method for reporting the value of all his inventories which are located in this state.

SECTION 27. IC 6-1.1-3-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) A taxpayer who elects to use the average method provided by section 11 of this chapter shall keep books which clearly show the inventory on hand and the true tax value of that inventory as of the last day of each accounting period. The books shall be kept in accordance with the rules of the ~~state board of tax commissioners.~~ **department of local government finance.**

(b) If a taxpayer adopts the average method of valuing inventory, he shall use at least twelve (12) uniform accounting periods for each calendar year. The accounting periods must represent the regular and ordinary accounting practice of the taxpayer. If the taxpayer was engaged in business for only a portion of the preceding calendar year, the accounting periods must be such that there would be twelve (12) or

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more if used for a full year.

(c) The ~~state board of tax commissioners~~ **department of local government finance** shall promulgate uniform rules for determining the fair, equitable, and practical true tax value of average inventories.

SECTION 28. IC 6-1.1-3-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) On or before June 1 of each year, each township assessor of a county shall deliver to the county assessor a list which states by taxing district the total of the personal property assessments as shown on the personal property returns filed with the assessor on or before the filing date of that year and in a county with a township assessor under IC 36-6-5-1 in every township the township assessor shall deliver the lists to the county auditor as prescribed in subsection (b).

(b) On or before July 1 of each year, each county assessor shall certify to the county auditor the assessment value of the personal property in every taxing district.

(c) The ~~state board of tax commissioners~~ **department of local government finance** shall prescribe the forms required by this section.

SECTION 29. IC 6-1.1-3-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) Each township assessor of a county shall periodically report to the county assessor and the county auditor with respect to the returns and properties of taxpayers which the township assessor has examined. The township assessor shall submit these reports in the form and on the dates prescribed by the ~~state board of tax commissioners.~~ **department of local government finance.**

(b) Each year, on or before the time prescribed by the ~~state board of tax commissioners,~~ **department of local government finance,** each township assessor of a county shall deliver to the county assessor a copy of each business personal property return which the taxpayer is required to file in duplicate under section 7(c) of this chapter and a copy of any supporting data supplied by the taxpayer with the return.

SECTION 30. IC 6-1.1-4-4, AS AMENDED BY P.L.198-2001, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, 2000, and each fourth year thereafter. Each reassessment shall be completed on or before March 1, of the immediately following even-numbered year, and shall be the basis for taxes payable in the year following the year in which the general assessment is to be completed.

(b) In order to ensure that assessing officials and members of each county property tax assessment board of appeals are prepared for a

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general reassessment of real property, the ~~state board of tax commissioners~~ **department of local government finance** shall give adequate advance notice of the general reassessment to the county and township taxing officials of each county.

SECTION 31. IC 6-1.1-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A petition for the reassessment of real property situated within a township may be filed with the ~~state board of tax commissioners~~ **department of local government finance** on or before March 31st of any year which is not a general election year and in which no general reassessment of real property is made.

(b) The petition for reassessment must be signed by not less than the following percentage of all the owners of taxable real property who reside in the township:

(1) fifteen percent (15%) for a township which does not contain an incorporated city or town;

(2) five percent (5%) for a township containing all or part of an incorporated city or town which has a population of five thousand (5,000) or less;

(3) four percent (4%) for a township containing all or part of an incorporated city which has a population of more than five thousand (5,000) but not exceeding ten thousand (10,000);

(4) three percent (3%) for a township containing all or part of an incorporated city which has a population of more than ten thousand (10,000) but not exceeding fifty thousand (50,000);

(5) two percent (2%) for a township containing all or part of an incorporated city which has a population of more than fifty thousand (50,000) but not exceeding one hundred fifty thousand (150,000); or

(6) one percent (1%) for a township containing all or part of an incorporated city which has a population of more than one hundred fifty thousand (150,000).

The signatures on the petition must be verified by the oath of one (1) or more of the signers. And, a certificate of the county auditor stating that the signers constitute the required number of resident owners of taxable real property of the township must accompany the petition.

SECTION 32. IC 6-1.1-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. If the ~~state board of tax commissioners~~ **department of local government finance** determines that a petition filed under section 5 of this chapter has been signed by the required number of petitioners and that the present assessed value of any real property is inequitable, the ~~board~~

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department of local government finance shall order a reassessment of the real property which has been inequitably assessed. The order shall specify the time within which the reassessment shall be completed and the date on which the reassessment shall become effective.

SECTION 33. IC 6-1.1-4-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. In order to maintain a just and equitable valuation of real property, the ~~state board of tax commissioners~~ **department of local government finance** may adopt a resolution declaring its belief that it is necessary to reassess all or a portion of the real property located within this state. If the ~~board~~ **department of local government finance** adopts a reassessment resolution and if either a township or a larger area is involved, the ~~board~~ **department** shall hold a hearing concerning the necessity for the reassessment at the courthouse of the county in which the property is located. The ~~board~~ **department of local government finance** shall give notice of the time and place of the hearing in the manner provided in section 10 of this chapter. After the hearing, or if the area involved is less than a township, after the adoption of the ~~board's~~ resolution **of the department of local government finance,** the ~~board~~ **department** may order any reassessment it deems necessary. The order shall specify the time within which the reassessment must be completed and the date the reassessment will become effective.

SECTION 34. IC 6-1.1-4-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) If a substantial amount of real and personal property in a township has been partially or totally destroyed as a result of a disaster, the ~~state board of tax commissioners~~ **department of local government finance** shall:

(1) cause a survey to be made of the area or areas in which the property has been destroyed; and

(2) order a reassessment of the destroyed property;

if a person petitions the ~~board~~ **department** to take that action. The ~~board~~ **department of local government finance** shall specify in its order the time within which the reassessment must be completed and the date on which the reassessment will become effective. However, the reassessed value and the corresponding adjustment of tax due, past due, or already paid is effective as of the date the disaster occurred, without penalty.

(b) The petition for reassessment of destroyed property, the reassessment order, and the tax adjustment order may not be made after December 31st of the year in which the taxes which would first be affected by the reassessment are payable.

SECTION 35. IC 6-1.1-4-12 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. If land assessed on an acreage basis is subdivided into lots, the land shall be reassessed on the basis of lots. If land is rezoned for, or put to, a different use, the land shall be reassessed on the basis of its new classification. If improvements are added to real property, the improvements shall be assessed. An assessment or reassessment made under this section is effective on the next assessment date. However, if land assessed on an acreage basis is subdivided into lots, the lots may not be reassessed until the next assessment date following a transaction which results in a change in legal or equitable title to that lot. No petition to the ~~state board of tax commissioners~~ **department of local government finance** is necessary with respect to an assessment or reassessment made under this section.

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

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

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

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

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

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

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

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

SECTION 37. IC 6-1.1-4-13.6 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.6. (a) ~~(a)~~ The township assessor shall determine the values of all classes of commercial, industrial, and residential land (including farm homesites) in the township using guidelines determined by the ~~state board of tax commissioners.~~ **department of local government finance.** Not later than November 1 of the year preceding the year in which a general reassessment becomes effective, the assessor determining the values of land shall submit the values to the county property tax assessment board of appeals. Not later than December 1 of the year preceding the year in which a general reassessment becomes effective, the county property tax assessment board of appeals shall hold a public hearing in the county concerning those values. The property tax assessment board of appeals shall give notice of the hearing in accordance with IC 5-3-1 and shall hold the hearing after March 31 and before December 1 of the year preceding the year in which the general reassessment under IC 6-1.1-4-4 becomes effective.

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

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

SECTION 38. IC 6-1.1-4-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) Subject to the approval of the ~~state board of tax commissioners~~ **department of local government finance** and the requirements of section 18(a) of this chapter, a:

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(1) township assessor; or

(2) group consisting of the county assessor and the township assessors in a county;

may employ professional appraisers as technical advisors.

(b) After notice to the county assessor and all township assessors in the county, a majority of the assessors authorized to vote under this subsection may vote to:

(1) employ a professional appraiser to act as a technical advisor in the county during a general reassessment period;

(2) appoint an assessor or a group of assessors to:

(A) enter into and administer the contract with a professional appraiser employed under this section; and

(B) oversee the work of a professional appraiser employed under this section.

Each township assessor and the county assessor has one (1) vote. A decision by a majority of the persons authorized to vote is binding on the county assessor and all township assessors in the county. Subject to the limitations contained in section 18(a) of this chapter, the assessor or assessors appointed under subdivision (2) may contract with a professional appraiser employed under this section to supply technical advice during a general reassessment period for all townships in the county. A proportionate part of the appropriation to all townships for assessing purposes shall be used to pay for the technical advice.

(c) As used in this chapter, "professional appraiser" means an individual or firm that is certified under IC 6-1.1-31.7.

SECTION 39. IC 6-1.1-4-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. The ~~state board of tax commissioners~~ **department of local government finance** may establish a period with respect to each general reassessment that is the only time during which a township or county assessor may enter into a contract with a professional appraiser. The period set by the ~~board~~ **department of local government finance** may not begin before January 1 of the year the general reassessment begins. If no period is established by the ~~board,~~ **department of local government finance,** a township or county assessor may enter into such a contract only on or after January 1 and before April 16 of the year in which the general reassessment is to commence.

SECTION 40. IC 6-1.1-4-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. Immediately following an assessment or reassessment of real property, the county property tax assessment board of appeals shall notify the county auditor of the assessed value of the land and improvements so assessed. The

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county property tax assessment board of appeals shall give the notice on the form and in the manner prescribed by the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 41. IC 6-1.1-4-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. The ~~state board of tax commissioners~~ **department of local government finance** may adopt or promulgate regulations, appraisal manuals, rules, bulletins, directives, and forms for the assessment and reassessment of real property.

SECTION 42. IC 6-1.1-4-27.5, AS ADDED BY P.L.198-2001, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27.5. (a) The auditor of each county shall establish a property reassessment fund. The county treasurer shall deposit all collections resulting from the property taxes that the county is required to levy under this section in the county's property reassessment fund.

(b) With respect to the general reassessment of real property which is to commence on July 1, 2004, the county council of each county shall, for property taxes due in the year in which the general reassessment is to commence and the two (2) years immediately preceding that year, levy against all the taxable property of the county an amount equal to one-third (1/3) of the estimated cost of the general reassessment.

(c) With respect to a general reassessment of real property that is to commence on July 1, 2008, and each fourth year thereafter, the county council of each county shall, for property taxes due in the year that the general reassessment is to commence and the three (3) years preceding that year, levy against all the taxable property in the county an amount equal to one-fourth (1/4) of the estimated cost of the general reassessment.

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

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

(f) If the county council determines that there is insufficient money in the county's reassessment fund to pay all expenses (as permitted under section 28 of this chapter) relating to the general reassessment of real property commencing July 1, 2000, the county may, for the

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purpose of paying expenses (as permitted under section 28 of this chapter) relating to the general reassessment commencing July 1, 2000, use money deposited in the fund from taxes levied in 2000 or a later year.

SECTION 43. IC 6-1.1-4-29 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 29. (a) The expenses of a reassessment, except those incurred by the ~~state board of tax commissioners~~ **department of local government finance** in performing its normal functions, shall be paid by the county in which the reassessed property is situated. These expenses, except for the expenses of a general reassessment, shall be paid from county funds. The county auditor shall issue warrants for the payment of reassessment expenses. No prior appropriations are required in order for the auditor to issue warrants.

(b) An order of the ~~state board of tax commissioners~~ **department of local government finance** directing the reassessment of property shall contain an estimate of the cost of making the reassessment. The local assessing officials, the county assessor, the county property tax assessment board of appeals, and the county auditor may not exceed the amount so estimated by the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 44. IC 6-1.1-4-31 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 31. (a) The ~~state board of tax commissioners~~ **department of local government finance** shall periodically check the conduct of a general reassessment of property. The ~~board~~ **department of local government finance** may inform township assessors, county assessors, and the presidents of county councils in writing if its check reveals that the general reassessment is not being properly conducted, or if property assessments under the general reassessment are not being properly made.

(b) The failure of the ~~board~~ **department of local government finance** to inform local officials under subsection (a) shall not be construed as an indication by the ~~board~~ **department** that the general reassessment is being properly conducted, or that property assessments under the general reassessment are being properly made.

SECTION 45. IC 6-1.1-4-32, AS ADDED BY P.L.151-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 32. (a) As used in this section, "qualifying county" means a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

(b) Notwithstanding ~~IC 6-1.1-4-15 and IC 6-1.1-4-17,~~ **sections 15**

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and 17 of this chapter, a township assessor in a qualifying county may not appraise property, or have property appraised, for the general reassessment of real property to be completed for the March 1, 2002, assessment date. Completion of that general reassessment in a qualifying county is instead governed by this section. The only duty of:

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

(2) a county assessor of a qualifying county;

with respect to that general reassessment is to provide to the ~~state board of tax commissioners~~ **department of local government finance** or the ~~state board's~~ **department's** contractor under subsection (c) any support and information requested by the ~~state board~~ **department** or the contractor.

(c) The ~~state board of tax commissioners~~ **department of local government finance** shall select and contract with a nationally recognized certified public accounting firm with expertise in the appraisal of real property to appraise property for the general reassessment of real property in a qualifying county to be completed for the March 1, 2002, assessment date. The contract applies for the appraisal of land and improvements with respect to all classes of real property in the qualifying county. The contract must include:

(1) a provision requiring the appraisal firm to:

(A) prepare a detailed report of:

(i) expenditures made after July 1, 1999, and before the date of the report from the qualifying county's reassessment fund under ~~IC 6-1.1-4-28~~; **section 28 of this chapter;** and

(ii) the balance in the reassessment fund as of the date of the report; and

(B) file the report with:

(i) the legislative body of the qualifying county;

(ii) the prosecuting attorney of the qualifying county;

(iii) the ~~state board of tax commissioners;~~ **department of local government finance;** and

(iv) the attorney general;

(2) a fixed date by which the appraisal firm must complete all responsibilities under the contract;

(3) a provision requiring the appraisal firm to use the land values determined for the qualifying county under ~~IC 6-1.1-4-13.6~~; **section 13.6 of this chapter;**

(4) a penalty clause under which the amount to be paid for appraisal services is decreased for failure to complete specified services within the specified time;

(5) a provision requiring the appraisal firm to make periodic

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reports to the ~~state board of tax commissioners;~~ **department of local government finance;**

(6) a provision stipulating the manner in which, and the time intervals at which, the periodic reports referred to in subdivision (5) are to be made;

(7) a precise stipulation of what service or services are to be provided;

(8) a provision requiring the appraisal firm to deliver a report of the assessed value of each parcel in a township in the qualifying county to the ~~state board of tax commissioners;~~ **department of local government finance;** and

(9) any other provisions required by the ~~state board of tax commissioners.~~ **department of local government finance.**

(d) After receiving the report of assessed values from the appraisal firm, the ~~state board of tax commissioners~~ **department of local government finance** shall give notice to the taxpayer and the county assessor, by mail, of the amount of the reassessment. The notice of reassessment is subject to appeal by the taxpayer to the ~~state~~ **Indiana** board. ~~of tax commissioners. Except as provided in subsection (e),~~ The procedures and time limitations that apply to an appeal to the ~~state~~ **Indiana** board ~~of tax commissioners~~ of a determination of the ~~county property tax assessment board of appeals under IC 6-1.1-15~~ **department of local government finance** apply to an appeal under this subsection. A determination by the ~~state board of tax commissioners~~ **Indiana board** of an appeal under this subsection is subject to appeal to the tax court under IC 6-1.1-15.

~~(e) In order to obtain a review by the state board of tax commissioners under subsection (d), the taxpayer must file a petition for review with the appropriate county assessor within forty-five (45) days after the notice of the state board of tax commissioners is given to the taxpayer under subsection (d).~~

~~(f)~~ **(e)** The ~~state board of tax commissioners~~ **department of local government finance** shall mail the notice required by subsection (d) within ninety (90) days after the ~~board~~ **department** receives the report for a parcel from the professional appraisal firm.

~~(g)~~ **(f)** The cost of a contract under this section shall be paid from the property reassessment fund of the qualifying county established under ~~IC 6-1.1-4-27.~~ **section 27 of this chapter.**

~~(h)~~ **(g)** Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the ~~state board of tax commissioners~~ **department of local government finance** under this section:

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(1) The commissioner of the **Indiana** department of administration.
(2) The director of the budget agency.
(3) The attorney general.
(4) The governor.

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

(1) the total assessed valuation of the real property within the qualifying county or township; and
(2) the total assessed valuation that would result if the real property within the qualifying county or township were valued in the manner provided by law.

~~(j)~~ **(i)** If:

(1) the variance determined under ~~subsection (i)~~ **subsection (h)** exceeds ten percent (10%); and
(2) the ~~state board of tax commissioners~~ **department of local government finance** determines after holding hearings on the matter that a special reassessment should be conducted;

the ~~state board~~ **department** shall contract for a special reassessment by an appraisal firm to correct the valuation of the property.

~~(k)~~ **(j)** If the variance determined under ~~subsection (i)~~ **subsection (h)** is ten percent (10%) or less, the ~~state board of tax commissioners~~ **department of local government finance** shall determine whether to correct the valuation of the property under:

(1) sections 9 and 10 of this chapter; or
(2) IC 6-1.1-14-10 and IC 6-1.1-14-11.

~~(l)~~ **(k)** The ~~state board of tax commissioners~~ **department of local government finance** shall give notice by mail to a taxpayer of a hearing concerning the ~~state board's~~ **department's** intent to cause the taxpayer's property to be reassessed under this section. The time fixed for the hearing must be at least ten (10) days after the day the notice is mailed. The ~~state board~~ **department of local government finance** may

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conduct a single hearing under this section with respect to multiple properties. The notice must state:

(1) the time of the hearing;

(2) the location of the hearing; and

(3) that the purpose of the hearing is to hear taxpayers' comments and objections with respect to the ~~state board's~~ **department of local government finance's** intent to reassess property under this chapter.

~~(m)~~ **(l)** If the ~~state board of tax commissioners~~ **department of local government finance** determines after the hearing that property should be reassessed under this section, the ~~state board~~ **department** shall:

(1) cause the property to be reassessed under this section;

(2) mail a certified notice of its final determination to the county auditor of the qualifying county in which the property is located; and

(3) notify the taxpayer by mail of its final determination.

~~(n)~~ **(m)** A reassessment may be made under this section only if the notice of the final determination under ~~subsection (l)~~ **subsection (k)** is given to the taxpayer within the same period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4.

~~(o)~~ **(n)** If the ~~state board of tax commissioners~~ **department of local government finance** contracts for a special reassessment of property under this section, the ~~state board~~ **department** shall forward the bill for services of the contractor to the county auditor, and the county shall pay the bill from the county reassessment fund.

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

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

SECTION 46. IC 6-1.1-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. Except as provided in section 9 of this chapter, the auditor, or, if authorized by county ordinance, the surveyor of each county shall maintain a plat of

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each civil township of the county the auditor or surveyor serves. The plats shall be divided in such a manner that they clearly exhibit the ownership and assessed value of each parcel of real property. The plats must be in the form and contain the information prescribed by the ~~state board of tax commissioners.~~ **department of local government finance.** The plats shall be kept current.

SECTION 47. IC 6-1.1-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as provided in section 9 of this chapter, county auditor may establish a real property index numbering system in order to list real property for purposes of the assessment and collection of taxes. The index numbering system may be used in addition to, or in lieu of, the method of listing real property otherwise provided by law. The index numbering system shall describe real property by county, township, block, and parcel or lot. The numbering system must be approved by the ~~state board of tax commissioners~~ **department of local government finance** before it is implemented.

(b) If an index numbering system is implemented in a county, the county auditor, except as provided in section 9 of this chapter, shall:

(1) establish and maintain cross indexes of the numbers assigned under the system and the complete legal description of the real property to which the numbers are related;

(2) assign individual index numbers which shall be carried on the assessment rolls, tax rolls, and tax statements;

(3) keep the indexes established under this section open for public inspection; and

(4) furnish all information concerning the index numbering system to the assessing officers of the county.

(c) An index numbering system established under this section shall be implemented on a county-wide basis.

SECTION 48. IC 6-1.1-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. Except as provided in section 9 of this chapter, the county auditor of each county shall annually prepare and deliver to the township assessor a list of all real property entered in the township as of the assessment date. The county auditor shall deliver the list within thirty (30) days after the assessment date. The county auditor shall prepare the list in the form prescribed or approved by the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 49. IC 6-1.1-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. Each taxpayer shall provide on a personal property return any information related to

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real property owned, possessed, or occupied by him if the information is required by the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 50. IC 6-1.1-5-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. Not later than May 15, each assessing official shall prepare and deliver to the county assessor a detailed list of the real property listed for taxation in the township. On or before July 1 of each year, each county assessor shall, under oath, prepare and deliver to the county auditor a detailed list of the real property listed for taxation in the county. In a county with an elected township assessor under IC 36-6-5-1 in every township the township assessor shall prepare the real property list. The assessing officials and the county assessor shall prepare the list in the form prescribed by the ~~state board of tax commissioners.~~ **department of local government finance.** The township assessor shall ensure that the county assessor has full access to the assessment records maintained by the township assessor.

SECTION 51. IC 6-1.1-5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) Except as provided in subsection (b), before an owner of real property demolishes, structurally modifies, or improves it at a cost of more than five hundred dollars ($500) for materials or labor, or both, the owner or the owner's agent shall file with the county assessor in the county where the property is located an assessment registration notice on a form prescribed by the ~~state board of tax commissioners.~~ **department of local government finance.**

(b) If the owner of the real property, or the person performing the work for the owner, is required to obtain a permit from an agency or official of the state or a political subdivision for the demolition, structural modification, or improvement, the owner or the person performing the work for the owner is not required to file an assessment registration notice.

(c) Each state or local government official or agency shall, before the tenth day of each month, deliver a copy of each permit described in subsection (b) to the assessor of the county in which the real property to be improved is situated.

(d) Before the last day of each month, the county assessor shall distribute a copy of each assessment registration notice filed under subsection (a) or permit received under subsection (b) to the assessor of the township in which the real property to be demolished, modified, or improved is situated.

(e) A fee of five dollars ($5) shall be charged by the county assessor

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for the filing of the assessment registration notice. All fees collected by the county assessor shall be deposited in the county property reassessment fund.

(f) A township or county assessor shall immediately notify the county treasurer if the assessor discovers property that has been improved or structurally modified at a cost of more than five hundred dollars ($500) and the owner of the property has failed to obtain the required building permit or to file an assessment registration notice.

(g) Any person who fails to:

(1) file the registration notice required by subsection (a); or

(2) obtain a building permit described in subsection (b);

before demolishing, structurally modifying, or improving real property is subject to a civil penalty of one hundred dollars ($100). The county treasurer shall include the penalty on the person's property tax statement and collect it in the same manner as delinquent personal property taxes under IC 6-1.1-23. However, if a person files a late registration notice, the person shall pay the fee, if any, and the penalty to the county assessor at the time the person files the late registration notice.

SECTION 52. IC 6-1.1-5.5-3, AS AMENDED BY P.L.89-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Before filing a conveyance document with the county auditor under IC 6-1.1-5-4, all the parties to the conveyance must complete and sign a sales disclosure form as prescribed by the ~~state board of tax commissioners~~ **department of local government finance** under section 5 of this chapter. All the parties may sign one (1) form, or if all the parties do not agree on the information to be included on the completed form, each party may sign and file a separate form.

(b) Except as provided in subsection (c), the auditor shall forward each sales disclosure form to the county assessor. The county assessor shall retain the forms for five (5) years. The county assessor shall forward the sales disclosure form data to the ~~state board of tax commissioners,~~ **department of local government finance,** in electronic format if possible. The county assessor shall forward a copy of the sales disclosure forms to the township assessors in the county. The forms may be used by the county assessing officials and the ~~state board of tax commissioners~~ **department of local government finance** for the purposes established in IC 6-1.1-4-13.6, sales ratio studies, equalization, and any other authorized purpose.

(c) In a county containing a consolidated city, the auditor shall forward the sales disclosure form to the appropriate township assessor.

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The township assessor shall forward the sales disclosure form to the ~~state board of tax commissioners,~~ **department of local government finance** in electronic format if possible. The township assessor shall forward a copy of the sales disclosure forms to the township assessors in the county. The forms may be used by the county assessing officials and the ~~state board of tax commissioners~~ **department of local government finance** for the purposes established in IC 6-1.1-4-13.6, sales ratio studies, equalization, and any other authorized purpose.

SECTION 53. IC 6-1.1-5.5-4.7, AS ADDED BY P.L.198-2001, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.7. (a) The assessment training fund is established for the purpose of receiving fees deposited under section 4 of this chapter for the training of assessment officials and employees of the ~~state board of tax commissioners or the~~ department of local government finance. The fund shall be administered by the treasurer of state.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited into the fund.

SECTION 54. IC 6-1.1-5.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The ~~state board of tax commissioners~~ **department of local government finance** shall prescribe a sales disclosure form for use under this chapter. The form prescribed by the ~~state board of tax commissioners~~ **department of local government finance** must include at least the following information:

(1) The key number of the parcel (as defined in IC 6-1.1-1-8.5).
(2) Whether the entire parcel is being conveyed.
(3) The address of the property.
(4) The date of the execution of the form.
(5) The date the property was transferred.
(6) Whether the transfer includes an interest in land, improvements, or both.
(7) Whether the transfer includes personal property.
(8) An estimate of any personal property included in the transfer.
(9) The name and address of each transferor and transferee.
(10) The mailing address to which the property tax bills or other official correspondence should be sent.
(11) The ownership interest transferred.

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(12) The classification of the property (as residential, commercial, industrial, agricultural, vacant land, or other).

(13) The total price actually paid or required to be paid in exchange for the conveyance, whether in terms of money, property, a service, an agreement, or other consideration, but excluding tax payments and payments for legal and other services that are incidental to the conveyance.

(14) The terms of seller provided financing, such as interest rate, points, type of loan, amount of loan, and amortization period, and whether the borrower is personally liable for repayment of the loan.

(15) Any family or business relationship existing between the transferor and the transferee.

(16) Other information as required by the ~~state board of tax commissioners~~ **department of local government finance** to carry out this chapter.

SECTION 55. IC 6-1.1-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The ~~state board of tax commissioners~~ **department of local government finance** may adopt rules in order to provide a method for assessing mobile homes. These rules must be consistent with this article.

SECTION 56. IC 6-1.1-7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. A mobile home which is subject to taxation under this chapter shall be assessed by the assessor of the township within which the place of assessment is located. Each township assessor of a county shall certify the assessments of mobile homes to the county auditor in the same manner provided for the certification of personal property assessments. The township assessor shall make this certification on the forms prescribed by the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 57. IC 6-1.1-8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) If a public utility company operates a system partially within and partially without this state, the company's property which is subject to taxation under this chapter is:

(1) that property which has a definite situs in this state; and

(2) that property which does not have a definite situs either in this state or in any other state and which the ~~state board of tax commissioners~~ **department of local government finance** determines is taxable in this state.

(b) To determine the value of an interstate public utility company's

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property which does not have a definite situs either in this state or in any other state and which is taxable in this state, the ~~state board of tax commissioners~~ **department of local government finance** shall consider the value of all the company's property which does not have a definite situs and shall allocate a reasonable portion of that property to this state. The ~~board~~ **department of local government finance** shall make the allocation in a manner which is fair to both the state and the company.

SECTION 58. IC 6-1.1-8-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The fixed property of a bridge company consists of real property which is not part of a bridge head or right-of-way of the company. The remainder of the bridge company's property is distributable property.

(b) A bridge company's definite-situs distributable property consists of:

(1) bridges;

(2) land on which bridge heads are located; and

(3) the company's rights-of-way.

(c) A bridge company's property which is not described in subsection (a) or (b) ~~of this section~~ is indefinite-situs distributable property. The ~~state board of tax commissioners~~ **department of local government finance** shall apportion and distribute the assessed valuation of this property among the taxing districts in which the company has property that is described in either subsection (a) or (b). ~~of this section.~~ The amount which the ~~board~~ **department of local government finance** shall distribute to a taxing district equals the product of (1) the total assessed valuation of the bridge company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the value of the company's property which is located in the taxing district and which is described in either subsection (a) or (b), ~~of this section,~~ and the denominator of which is the value of the company's property which is located in this state and which is described in either subsection (a) or (b). ~~of this section.~~

SECTION 59. IC 6-1.1-8-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The fixed property of a bus company consists of real property and tangible personal property which is located within or on the real property.

(b) A bus company's property which is not described in subsection (a) ~~of this section~~ is indefinite-situs distributable property. This property includes, but is not limited to, buses and other mobile equipment. The ~~state board of tax commissioners~~ **department of local government finance** shall apportion and distribute the assessed

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valuation of this property among the taxing districts in or through which the company operates its system. The amount which the ~~board~~ **department of local government finance** shall distribute to a taxing district equals the product of (1) the total assessed valuation of the bus company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the company's average daily regularly scheduled passenger vehicle route miles in the taxing district, and the denominator of which is the company's average daily regularly scheduled passenger vehicle route miles in this state.

SECTION 60. IC 6-1.1-8-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The fixed property of an express company consists of real property and tangible personal property which has a definite situs. The remainder of the express company's property is indefinite-situs distributable property.

(b) The ~~state board of tax commissioners~~ **department of local government finance** shall apportion and distribute the assessed valuation of an express company's indefinite-situs distributable property among the taxing districts in which the fixed property of the company is located. The amount which the ~~board~~ **department of local government finance** shall distribute to a taxing district equals the product of (1) the total assessed valuation of the express company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the value of the company's fixed property which is located in the taxing district, and the denominator of which is the value of the company's fixed property which is located in this state.

SECTION 61. IC 6-1.1-8-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) The fixed property of a pipe line company consists of:

(1) real property which is not part of a pipe line or right-of-way of the company; and

(2) tangible personal property which is not part of the company's distribution system.

(b) A pipe line company's property which is not described in subsection (a) ~~of this section~~ is indefinite-situs distributable property. The ~~state board of tax commissioners~~ **department of local government finance** shall apportion and distribute the assessed valuation of this property among the taxing districts in which the company's pipe lines are located. The amount which the ~~board~~ **department of local government finance** shall distribute to a taxing district equals the product of (1) the total assessed valuation of the pipe line company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the length of the company's pipe

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lines in the taxing district, and the denominator of which is the length of the company's pipe lines in this state.

SECTION 62. IC 6-1.1-8-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) The fixed property of the railroad company consists of real property which is not required for the operation of the railroad and tangible personal property which is located within or on that real property. The remaining property of the railroad company is distributable property.

(b) A railroad company's definite-situs distributable property consists of the company's:

(1) right-of-ways and road beds;
(2) station and depot grounds;
(3) yards, yard sites, superstructures, turntable, and turnouts;
(4) tracks;
(5) telegraph poles, wires, instruments, and other appliances, which are located on the right-of-ways; and
(6) any other buildings or fixed situs personal property used in the operation of the railroad.

(c) A railroad company's property which is not described in ~~subsections~~ **subsection** (a) or (b) ~~of this section~~ is indefinite-situs distributable property. This property includes, but is not limited to, rolling stock. The ~~state board of tax commissioners~~ **department of local government finance** shall apportion and distribute the assessed valuation of this property among the taxing districts in which the railroad company operates its system. The amount which the ~~board~~ **department of local government finance** shall distribute to a taxing district equals the product of (1) the total assessed valuation of the railroad company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the relative value of the company's main lines, branch lines, main tracks, second main tracks, and sidetracks, including all leased lines and tracks, which are located in the taxing district, and the denominator of which is the relative value of the company's main lines, branch lines, main tracks, second main tracks, and sidetracks, including all leased lines and tracks, which are located in this state.

SECTION 63. IC 6-1.1-8-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The fixed property of a railroad car company consists of real property and tangible personal property which has a definite situs. The remainder of the railroad car company's property is indefinite-situs distributable property.

(b) The ~~state board of tax commissioners~~ **department of local**

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government finance shall assess a railroad car company's indefinite-situs distributable property on the basis of the average number of cars owned or used by the company within this state during the twelve (12) months of the calendar year preceding the year of assessment. The average number of cars within this state equals the product of:

(1) the sum of "M" plus "E"; multiplied by

(2) a fraction, the numerator of which is "N", and the denominator of which is the number two (2).

"M" equals the mileage traveled by the railroad car company's cars in this state divided by the mileage traveled by the company's cars both within and outside this state. "E" equals the earnings generated by the company's cars in this state divided by the earnings generated by the company's cars both within and outside this state. "N" equals the total number of cars owned or used by the company both within and outside this state.

SECTION 64. IC 6-1.1-8-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) The fixed property of a sleeping car company consists of real property and tangible personal property which has a definite situs.

(b) A sleeping car company's property which is not described in subsection (a) ~~of this section~~ is indefinite-situs distributable property. The ~~state board of tax commissioners~~ **department of local government finance** shall apportion and distribute the assessed valuation of this property among the taxing districts in or through which the company operates cars. The ~~board~~ **department of local government finance** shall make the apportionment in a manner which it considers fair.

SECTION 65. IC 6-1.1-8-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) The fixed property of a street railway company consists of:

(1) real property which is not part of the company's tracks or rights-of-way; and

(2) tangible personal property which is located within or on the real property described in clause (1) of this subsection.

(b) A street railway company's property which is not described in subsection (a) ~~of this section~~ is distributable property. This property includes, but is not limited to:

(1) rights-of-way of the company;

(2) tangible personal property which is located on a right-of-way of the company; and

(3) rolling stock.

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(c) The ~~state board of tax commissioners~~ **department of local government finance** shall apportion and distribute the assessed valuation of a street railway company's indefinite-situs distributable property among the taxing districts in or through which the company operates its system. The amount which the ~~board~~ **department of local government finance** shall distribute to a taxing district equals the product of (1) the total assessed valuation of the street railway company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the company's average daily regularly scheduled passenger vehicle route miles in the taxing district, and the denominator of which is the company's average daily regularly scheduled passenger vehicle route miles in this state.

SECTION 66. IC 6-1.1-8-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) The fixed property of a telephone, telegraph, or cable company consists of:

(1) tangible personal property which is not used as part of the distribution system of the company; and

(2) real property which is not part of the company's ~~right-of-ways~~ **rights-of-way** or distribution system.

(b) A telephone, telegraph, or cable company's property which is not described under subsection (a) ~~of this section~~ is indefinite-situs distributable property. The ~~state board of tax commissioners~~ **department of local government finance** shall apportion and distribute the assessed valuation of this property among the taxing districts in which the company's lines or cables, including laterals, are located. The amount which the ~~board~~ **department of local government finance** shall distribute to a taxing district equals the product of (1) the total assessed valuation of the telephone, telegraph, or cable company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the length of the company's lines and cables, including laterals, which are located in the taxing district, and the denominator of which is the length of the company's lines and cables, including laterals, which are located in this state.

SECTION 67. IC 6-1.1-8-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) The fixed property of a tunnel company consists of real property which is not part of a right-of-way of the company. The remainder of the tunnel company's property is distributable property.

(b) A tunnel company's definite-situs distributable property consists of the company's tunnels and ~~right-of-ways.~~ **rights-of-way.**

(c) A tunnel company's property which is not described in ~~subsections~~ **subsection** (a) or (b) ~~of this section~~ is indefinite-situs

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distributable property. The ~~state board of tax commissioners~~ **department of local government finance** shall apportion and distribute the assessed valuation of this property among the taxing districts in which the company has property that is described in either subsection (a) or (b). ~~of this section.~~ The amount which the ~~board~~ **department of local government finance** shall distribute to a taxing district equals the product of (1) the total assessed valuation of the tunnel company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the value of the company's property which is located in the taxing district and which is described in either subsection (a) or (b), ~~of this section,~~ and the denominator of which is the value of the company's property which is located in this state and which is described in either subsection (a) or (b). ~~of this section.~~

SECTION 68. IC 6-1.1-8-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) The fixed property of a water distribution company consists of:

(1) tangible personal property which is not used as part of the company's distribution system; and

(2) real property which is not part of the company's right-of-ways or distribution system.

A well, settling basin, or reservoir (except an impounding reservoir) is not fixed property of a water distribution company if it is used to store treated water or water in the process of treatment.

(b) A water distribution company's property which is not described as fixed property under subsection (a) ~~of this section~~ is indefinite-situs distributable property. The ~~state board of tax commissioners~~ **department of local government finance** shall apportion and distribute the assessed valuation of this property among the taxing districts in which the company's water mains, including feeder and distribution mains, are located. The amount which the ~~board~~ **department of local government finance** shall distribute to a taxing district equals the product of (1) the total assessed valuation of the water distribution company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the length of the company's water mains, including feeder and distribution mains, which are located in the taxing district, and the denominator of which is the length of the company's water mains, including feeder and distribution mains, which are located in this state.

SECTION 69. IC 6-1.1-8-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. For a public utility company which is not within one (1) of the classes of companies

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whose property is described in sections 6 through 17 of this chapter, the fixed property of the company consists of real property and tangible personal property. The remainder of the company's property is indefinite-situs distributable property. The ~~state board of tax commissioners~~ **department of local government finance** shall, in a manner which it considers fair, apportion and distribute the assessed valuation of the company's indefinite-situs distributable property among the taxing districts in which the company operates its system.

SECTION 70. IC 6-1.1-8-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. Each year a public utility company shall file a statement concerning the value and description of the property which is either owned or used by the company on the assessment date of that year. The company shall file this statement with the ~~state board of tax commissioners~~ **department of local government finance** on the form prescribed by the ~~board.~~ **department.** The ~~state board of tax commissioners~~ **department of local government finance** may extend the due date for a statement. Unless the ~~board~~ **department of local government finance** grants an extension, a public utility company shall file its statement for a year:

(1) on or before March 1st of that year unless the company is a railroad car company; or

(2) on or before May 1st of that year if the company is a railroad car company.

SECTION 71. IC 6-1.1-8-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) If a public utility company does not file a statement with the ~~state board of tax commissioners~~ **department of local government finance** on or before the date prescribed under section 19 of this chapter, the company shall pay a penalty of one hundred dollars ($100) per day for each day that the statement is late.

(b) The ~~state board of tax commissioners~~ **department of local government finance** shall notify the attorney general if a public utility company fails to file a statement on or before the due date. The attorney general shall then bring an action in the name of this state to collect the penalty due under this section.

(c) The state auditor shall deposit amounts collected under this section in the state treasury for credit to the state general fund.

SECTION 72. IC 6-1.1-8-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. The ~~state board of tax commissioners~~ **department of local government finance** may ask a public utility company to provide the ~~board~~ **department** with copies of any reports which the company has filed with a state or

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federal agency if:

(1) the reports are related to the valuation, assessment, or taxation of the company's property; and

(2) the agency has either regulatory or taxing authority.

If the ~~board~~ **department of local government finance** makes such a request, the company shall provide the ~~board~~ **department** with copies of the reports. The ~~state board of tax commissioners~~ **department of local government finance** may also inspect the original reports filed by the company regardless of whether or not the ~~board~~ **department** has obtained copies of the reports from the company. In addition, the ~~board~~ **department of local government finance** may inspect a public utility company's property, books, and records.

SECTION 73. IC 6-1.1-8-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. The ~~state board of tax commissioners~~ **department of local government finance** shall assess the property of a public utility company based upon the information available to the ~~board~~ **department** if the company:

(1) does not file a statement which is required under section 19 of this chapter;

(2) does not permit the ~~board~~ **department** to examine the company's property, books, or records; or

(3) does not comply with a summons issued by the ~~board.~~ **department.**

An assessment which is made by the ~~board~~ **department of local government finance** under this section is final unless the company establishes that the ~~board~~ **department** committed actual fraud in making the assessment.

SECTION 74. IC 6-1.1-8-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. Each year a public utility company shall file a statement with the assessor of each township and county assessor of each county in which the company's property is located. The company shall file the statement on the form prescribed by the ~~state board of tax commissioners.~~ **department of local government finance.** The statement shall contain a description of the company's tangible personal property located in the township.

SECTION 75. IC 6-1.1-8-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. (a) Each year a township assessor shall assess the fixed property which as of the assessment date of that year is:

(1) owned or used by a public utility company; and

(2) located in the township ~~he~~ **the township assessor** serves.

(b) The township assessor shall determine the assessed value of

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fixed property. The township assessor shall certify the assessed values to the county assessor on or before April 1 of the year of assessment. However, in a county with an elected township assessor under IC 36-6-5-1 in every township the township assessor shall certify the list to the ~~state board of tax commissioners.~~ **department of local government finance.** The county assessor shall review the assessed values and shall certify the assessed values to the ~~state board of tax commissioners~~ **department of local government finance** on or before April 10 of the year of assessment.

SECTION 76. IC 6-1.1-8-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. (a) Each year the ~~state board of tax commissioners~~ **department of local government finance** shall assess the distributable property which as of the assessment date of that year is owned or used by a public utility company. The ~~board~~ **department of local government finance** shall determine the assessed value of distributable property. The ~~board~~ **department of local government finance** shall equalize its assessments of distributable property in the same manner that it equalizes assessments of tangible property under IC 6-1.1-14.

(b) The ~~state board of tax commissioners~~ **department of local government finance** shall distribute the assessed valuation of definite-situs distributable property to the taxing district in which the property is located. Except as provided in section 35 of this chapter, the ~~state board of tax commissioners~~ **department of local government finance** shall apportion and distribute the assessed valuation of indefinite-situs distributable property in the manner prescribed in sections 6 through 18 of this chapter. However, this subsection does not apply to that distributable property which is taxed under section 35 of this chapter.

SECTION 77. IC 6-1.1-8-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) On or before June 1st of each year, the ~~state board of tax commissioners~~ **department of local government finance** shall determine the just value of the property of each public utility company. Except for railroad car companies, the ~~state board of tax commissioners~~ **department of local government finance** shall determine that just value by first determining the approximate unit value of each public utility company. The value of the distributable property of a public utility company, other than a railroad car company, equals the remainder of:

(1) the unit value of the company; minus

(2) the value of the company's fixed property.

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The value of the distributable property of a railroad car company equals the value of all of the company's distributable property multiplied by the adjustment factor provided under section 12 of this chapter.

(b) In order to determine the unit value of a public utility company, the ~~state board of tax commissioners~~ **department of local government finance** may consider:

(1) book value;

(2) cost of replacement or reproduction, less depreciation;

(3) cost of establishing and developing the business;

(4) amount and market value or sales price of outstanding securities;

(5) valuations determined by another governmental agency or indicated by a judicial decision, including but not limited to determinations made for rate making purposes;

(6) statistics and reports prepared or filed by the company;

(7) statistics and reports prepared by another governmental agency or by a private organization if the organization is considered reliable by investors and investment dealers;

(8) earnings capitalized at a reasonable rate; and

(9) any other information which the ~~board~~ **department** considers relevant.

SECTION 78. IC 6-1.1-8-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27. (a) As soon as the ~~state board of tax commissioners~~ **department of local government finance** determines its final assessments of distributable property, the ~~board~~ **department** shall certify to the county assessor and the county auditor of each county:

(1) the distributable property assessed values which the ~~board~~ **department** determines are distributable to the taxing districts of the county; and

(2) the assessed values, according to the ~~board's~~ **department's** records, of fixed property located in the taxing districts of the county.

In addition, if a public utility company has appealed the ~~board's~~ **department of local government finance's** final assessment of the company's distributable property, the ~~board~~ **department** shall notify the county auditor of the appeal.

(b) The county assessor shall review the ~~state board of tax commissioners'~~ **department of local government finance's** certification to determine if any of a public utility company's property which has a definite situs in the county has been omitted. The county auditor shall enter for taxation the assessed valuation of a public utility

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company's distributable property which the ~~board~~ **department** distributes to a taxing district of the county.

SECTION 79. IC 6-1.1-8-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28. (a) Each year the ~~state board of tax commissioners~~ **department of local government finance** shall notify each public utility company of:

(1) the ~~board's~~ **department's** tentative assessment of the company's distributable property; and

(2) the value of the company's distributable property used by the ~~board~~ **department** to determine the tentative assessment.

The ~~state board of tax commissioners~~ **department of local government finance** shall give the notice on or before September 1, in the case of railroad car companies, and shall give the notice on or before June 1, in the case of all other public utility companies.

(b) Within ten (10) days after a public utility company receives notice of the ~~state board of tax commissioners'~~ **department of local government finance's** tentative assessment, the company may:

(1) file with the ~~board~~ **department** its objections to the tentative assessment; and

(2) demand that the ~~board~~ **department** hold a hearing on the tentative assessment.

If the company does not file with the ~~board~~ **department of local government finance** its objections to the tentative assessment within the time allowed, the tentative assessment is final and may not be appealed.

SECTION 80. IC 6-1.1-8-29 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 29. If a public utility company files its objections to, and demands a hearing on, a tentative assessment within the time allowed, the ~~state board of tax commissioners~~ **department of local government finance** shall hold a hearing on the tentative assessment at a time and place fixed by the ~~board.~~ **department.** After the hearing, if any, the ~~board~~ **department of local government finance** shall make a final assessment of the company's distributable property and shall notify the company of the final assessment. However, the ~~board~~ **department of local government finance** must give notice of the final assessment before September 30, in the case of railroad car companies, and before June 30 in the case of all other public utility companies.

SECTION 81. IC 6-1.1-8-35, AS AMENDED BY P.L.291-2001, SECTION 232, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 35. (a) Each year the ~~state board of tax commissioners~~ **department of local government finance**

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shall tax:

(1) the indefinite-situs distributable property of railroad car companies; and

(2) the distributable property of a railroad company that provides service within a commuter transportation district established under IC 8-5-15 and utilizes electricity to power substantially all of its railroad passenger cars.

The ~~board~~ **department of local government finance** shall compute the tax on a railroad car company's indefinite-situs distributable property based upon the average property tax rate in this state. The average property tax rate in this state for a year equals (A) the total of the property taxes in this state that will come due during that year divided by (B) the total net assessed valuation of property in this state for the preceding year's assessment. The ~~board~~ **department of local government finance** shall base its computation of the average property tax rate for a year upon information which is available to the ~~board~~ **department** as of December 31 of the preceding year. The ~~board~~ **department of local government finance** shall compute the tax on a railroad company's distributable property based upon the average property tax rate that is imposed by taxing districts that are located in any county in which a railroad company, that is taxed under this section, provides railroad services. The average property tax rate of taxing districts that are located in any county in which a railroad company that is taxed under this section equals (i) the total of the property taxes in those taxing districts that will come due during that year divided by (ii) the total net assessed valuation of property in those districts for the preceding year's assessment. The ~~board~~ **department of local government finance** shall base its computation on the average property tax rate for a year upon information which is available to the board as of December 31 of the preceding year.

(b) The ~~state board of tax commissioners~~ **department of local government finance** shall certify the tax it imposes on indefinite-situs distributable property of railroad car companies and a railroad company's distributable property taxed under this section to the department of state revenue. Each of those companies shall pay the tax to the department of state revenue on or before December 31of the year the assessment is made. If one (1) of those companies does not pay the tax when it is due, the company shall pay a penalty, in addition to the tax, equal to twenty-five percent (25%) of the delinquent tax. When the tax imposed on indefinite-situs distributable property of railroad car companies by this chapter becomes delinquent, the department of state revenue shall proceed with the collection of the delinquent tax and

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penalty in accordance with the provisions of IC 6-8.1-8.

(c) The department of state revenue shall promptly deposit all amounts collected under this section that are derived from indefinite-situs distributable property of railroad car companies in the state treasury for credit to the commuter rail service fund established by IC 8-3-1.5-20.5 to be used exclusively for debt financing of the commuter transportation district's long term capital needs.

(d) The department of state revenue shall promptly deposit all amounts collected under this section from a railroad company in the state treasury for credit to the electric rail service fund established by IC 8-3-1.5-20.6.

SECTION 82. IC 6-1.1-8-36 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 36. (a) A public utility company shall pay any taxes which are based upon the ~~state board of tax commissioners'~~ **department of local government finance's** assessment of distributable property regardless of whether or not an appeal of the assessment is pending. However, the collection of the taxes may be enjoined pending an original tax appeal under IC 33-3-5.

(b) The ~~state board of tax commissioners~~ **department of local government finance** shall reassess distributable property and shall certify the reassessment to the county auditor of each county in which the property is taxable if:

(1) ~~a court~~ **the Indiana board:**

(A) sets aside the ~~board's~~ **department's** original assessment and orders the ~~board~~ **department** to reassess the distributable property; **or**

(B) refers the matter to the department under section 32 of this chapter with instructions to make another assessment; and

(2) the decision of: ~~that court~~

(A) the Indiana board is not appealed to ~~a higher~~ **the tax** court; **or**

(B) the tax court in which the matter was referred to the department under section 32 of this chapter is not appealed to the supreme court.

(c) If the tax court sets aside the Indiana board's final determination and the Indiana board reassesses distributable property, the Indiana board shall certify the reassessment to the county auditor of each county in which the property is taxable if the decision of the tax court is not appealed to the supreme court.

SECTION 83. IC 6-1.1-8-37 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 37. (a) If: ~~a state board of tax commissioners'~~

(1) the department of local government finance's reassessment of distributable property is less than the ~~board's~~ **department's** original assessment; **or**

(2) the Indiana board's reassessment of distributable property is less than the department's original assessment;

the auditor of each affected county shall compute the tax refund, if any, which is due the public utility company. The county auditor shall then issue a warrant to the company for the amount of the refund due, and the county treasurer shall pay the warrant, without an appropriation for the disbursement.

(b) If: ~~a state board of tax commissioners'~~

(1) the department of local government finance's reassessment of distributable property is greater than the ~~board's~~ **department's** original assessment; **or**

(2) the Indiana board's reassessment of distributable property is greater than the department's original assessment;

the auditor of each affected county shall enter the difference as an assessment of omitted property. The county auditor shall compute and the county treasurer shall collect the additional tax due in he same manner that taxes on omitted property are computed and collect. However, the county officials may not charge penalty or interest on the additional tax due unless the public utility company does not pay the tax within thirty (30) days after the date notice of the additional tax due is given to the company.

(c) The accounts of the various taxing units shall be credited or charged with each unit's proportionate share of additional taxes collected and refunds made under this section.

SECTION 84. IC 6-1.1-8-39 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 39. The annual assessments of a public utility company's property are presumed to include all the company's property which is subject to taxation under this chapter. However, this presumption does not preclude the subsequent assessment of a specific item of tangible property which is clearly shown to have been omitted from the assessments for that year. The appropriate township assessor shall make assessments of omitted fixed property. The ~~state board of tax commissioners~~ **department of local government finance** shall make assessments of omitted distributable property. However, the ~~board~~ **department of local government finance** may not assess omitted distributable property after the expiration of ten (10) years from the last day of the year in

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which the assessment should have been made.

SECTION 85. IC 6-1.1-8-40 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 40. When the ~~state board of tax commissioners~~ **department of local government finance** assesses distributable property which was omitted from the assessment for a particular year, the ~~board~~ **department** shall, as nearly as possible, assess the omitted distributable property in the same manner that the ~~board~~ **department** assesses other distributable property. The taxes due on the omitted distributable property shall be calculated by using the same tax rates which were applicable for the tax year that the distributable property was omitted from the assessment. The public utility company shall pay interest on the taxes due on the omitted distributable property at the rate of two percent (2%) per month, or fraction of a month. The interest due shall be calculated on the period of time beginning with January 1 of the year following the year in which the property was omitted from the assessment and ending with the day the taxes are paid. However, the ~~state board of tax commissioners~~ **department of local government finance** may waive any portion of the interest due under this section at the time the ~~board~~ **department** makes its final assessment of the omitted distributable property.

SECTION 86. IC 6-1.1-8-41 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 41. The ~~state board of tax commissioners~~ **department of local government finance** shall keep itself informed about the methods which other states use to value public utility companies.

SECTION 87. IC 6-1.1-8-42 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 42. (a) The ~~state board of tax commissioners~~ **department of local government finance** shall promulgate rules and regulations to provide equal treatment for the public utility companies within each classification. These rules and regulations may not:

(1) prohibit the assessment and taxation of a company's property which is subject to taxation under this chapter; or

(2) prohibit the ~~board~~ **department of local government finance** from making adjustments in those cases where the rules and regulations would result in an assessment that would be unfair to the state or to the public utility company.

(b) The ~~state board of tax commissioners~~ **department of local government finance** may adopt rules and regulations to carry out the intent and provisions of this chapter. The rules and regulations must be consistent with this chapter.

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SECTION 88. IC 6-1.1-8.2-6, AS ADDED BY P.L.253-1999, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. To obtain the credit provided by section 4 of this chapter for a particular calendar year, a taxpayer must file with the ~~state board of tax commissioners~~ **department of local government finance** an accurate statement of the qualified expenditures that entitle the taxpayer to a credit. The statement must be filed:

(1) in the form prescribed by the ~~state board of tax commissioners;~~ **department of local government finance;** and

(2) with the statement required for the calendar year to which the credit applies under IC 6-1.1-8-19.

SECTION 89. IC 6-1.1-8.5-2, AS ADDED BY P.L.151-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, "industrial facility" means a company's real property that:

(1) has been classified as industrial property under the rules of the ~~state board;~~ **department of local government finance;** and

(2) has a true tax value, as estimated by the ~~state board;~~ **department,** of at least twenty-five million dollars ($25,000,000) in a qualifying county.

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

SECTION 90. IC 6-1.1-8.5-6, AS ADDED BY P.L.151-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. Before:

(1) January 1, 2004; and

(2) January 1 of each year that a general reassessment commences under IC 6-1.1-4-4;

the county assessor of each qualifying county shall provide the ~~state board~~ **department of local government finance** a list of each industrial facility located in the qualifying county.

SECTION 91. IC 6-1.1-8.5-7, AS ADDED BY P.L.151-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The township assessor of each township in a qualifying county shall notify the ~~state board~~ **department of local government finance** of a newly constructed industrial facility that is located in the township served by the township assessor.

(b) Each building commissioner in a qualifying county shall notify the ~~state board~~ **department of local government finance** of a newly constructed industrial facility that is located in the jurisdiction served

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by the building commissioner.

(c) The ~~state board~~ **department of local government finance** shall schedule an assessment under this chapter of a newly constructed industrial facility within six (6) months after receiving notice of the construction from the appropriate township assessor or building commissioner.

SECTION 92. IC 6-1.1-8.5-8, AS ADDED BY P.L.151-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. For purposes of the general reassessment under IC 6-1.1-4-4 or a new assessment, the ~~state board~~ **department of local government finance** shall assess each industrial facility in a qualifying county.

SECTION 93. IC 6-1.1-8.5-9, AS ADDED BY P.L.151-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. The county assessor of the qualifying county in which an industrial facility is located shall provide support to the ~~state board's~~ assessor **of the department of local government finance** during the course of the assessment of the industrial facility.

SECTION 94. IC 6-1.1-8.5-10, AS ADDED BY P.L.151-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) When the ~~state board~~ **department of local government finance** determines its final assessments of an industrial facility under this chapter, the ~~state board~~ **department** shall certify the true tax values to the county assessor and the county auditor of the qualifying county in which the property is located. In addition, if an industrial company has appealed the ~~state board's~~ **department of local government finance's** final assessment of the industrial facility, the ~~state board~~ **department of local government finance** shall notify the county auditor of the appeal.

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

SECTION 95. IC 6-1.1-8.5-11, AS ADDED BY P.L.151-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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UPON PASSAGE]: Sec. 11. (a) A taxpayer or the county assessor of the qualifying county in which the industrial facility is located may appeal an assessment by the ~~state board~~ **department of local government finance** made under this chapter to the ~~appeals division of the state board.~~ **Indiana board.** An appeal under this section shall be conducted in the same manner as an appeal under IC 6-1.1-15-4 through IC 6-1.1-15-8. An assessment made under this chapter that is not appealed under this section is a final unappealable order of the ~~state board.~~ **department of local government finance.**

(b) The ~~state board~~ **Indiana board** shall hold a hearing on the appeal and issue an order within one (1) year after the date the appeal is filed.

SECTION 96. IC 6-1.1-8.5-12, AS ADDED BY P.L.151-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. The ~~state board~~ **department of local government finance** shall adopt rules to provide just valuations of industrial facilities under this chapter.

SECTION 97. IC 6-1.1-9-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) If a taxpayer files a personal property return for a particular year, personal property which is omitted from or undervalued on the return may be assessed, or its assessed value may be increased, only if the notice required under section 1 of this chapter is given within three (3) years after the date the return is filed. However, if the taxpayer's personal property return for a particular year substantially complies with the provisions of this article and the regulations of the ~~state board of tax commissioners,~~ **department of local government finance,** an assessing official or a county property tax assessment board of appeals may change the assessed value claimed by the taxpayer on the return only within the time period prescribed in IC 6-1.1-16-1.

(b) If a taxpayer fails to file a personal property return for a particular year, the taxpayer's personal property may be assessed for that year only if the notice required by section 1 of this chapter is given within ten (10) years after the date on which the return for that year should have been filed.

(c) If a taxpayer files a fraudulent personal property return, or fails to file a return with the intent to evade the payment of property taxes, the assessment limitations prescribed in subsections (a) and (b) do not apply.

SECTION 98. IC 6-1.1-9-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. A petition to the ~~state board of tax commissioners~~ **department of local government**

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finance is not necessary with respect to any assessment, or increase in assessed valuation, which is made under this chapter.

SECTION 99. IC 6-1.1-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The property of the United States and its agencies and instrumentalities is exempt from property taxation to the extent that this state is prohibited by law from taxing it. However, any interest in tangible property of the United States shall be assessed and taxed to the extent this state is not prohibited from taxing it by the Constitution of the United States.

(b) If the United States provides for the payment of money in lieu of property taxes upon tangible property which is exempt from taxation, the payment shall be made to and settled by the ~~state board of tax commissioners.~~ **department of local government finance.** The ~~state board of tax commissioners~~ **department of local government finance** may make appraisements, assessments, and agreements and may do all acts necessary to the ascertainment, settlement, and collection of such a payment. The ~~board~~ **department of local government finance** may distribute amounts so received to the taxing units that would be entitled to the money if the payment were for taxes upon the property. However, if the payment is made by the United States for the rendition of a particular service, the ~~state board of tax commissioners~~ **department of local government finance** shall distribute the payment to the taxing unit which rendered the service. Where payment is made for a service, the ~~board~~ **department of local government finance** may not make a settlement with the United States without the prior approval of the taxing unit involved.

SECTION 100. IC 6-1.1-10-29, AS AMENDED BY P.L.260-1999, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 29. (a) As used in this section, "manufacturer" or "processor" means a person that performs an operation or continuous series of operations on raw materials, goods, or other personal property to alter the raw materials, goods, or other personal property into a new or changed state or form. The operation may be performed by hand, machinery, or a chemical process directed or controlled by an individual. The terms include a person that:

(1) dries or prepares grain for storage or delivery; or

(2) publishes books or other printed materials.

(b) Personal property owned by a manufacturer or processor is exempt from property taxation if the owner is able to show by adequate records that the property:

(1) is stored and remains in its original package in an in-state warehouse for the purpose of shipment, without further

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processing, to an out-of-state destination; or

(2) consists of books or other printed materials that are stored at an in-state commercial printer's facility for the purpose of shipment, without further processing, to an out-of-state destination.

(c) Personal property that is manufactured in Indiana and that would be exempt under subsection (b), except that it is not stored in its original package, is exempt from property taxation if the owner can establish in accordance with exempt inventory procedures, regulations, and rules of the ~~state board of tax commissioners~~ **department of local government finance** that:

(1) the property is ready for shipment without additional manufacturing or processing, except for packaging; and

(2) either:

(A) the property will be damaged or have its value impaired if it is stored in its original package; or

(B) the final packaging of finished inventory items is not practical until receipt of a final customer order because fulfillment of the customer order requires the accumulation of a number of distinct finished inventory items into a single shipping package.

(d) A manufacturer or processor that possesses personal property owned by another person may claim an exemption under subsection (b) or (c) if:

(1) the manufacturer or processor includes the property on the manufacturer's or processor's personal property tax return; and

(2) the manufacturer or processor is able to show that the owner of the personal property would otherwise have qualified for an exemption under subsection (b) or (c).

SECTION 101. IC 6-1.1-10-31.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 31.1. A person who:

(1) is required to file a personal property return;

(2) has personal property in a warehouse or a foreign trade zone on the assessment date of any year; and

(3) wishes to claim the exemption provided under section 29, 29.3, 30, or 30.5 of this chapter;

shall report on the person's personal property return, in the manner prescribed by the ~~state board of tax commissioners,~~ **department of local government finance,** the true tax value of the property for which the exemption is claimed.

SECTION 102. IC 6-1.1-10-31.7 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 31.7. (a) Subject to subsection (c), in order to claim a property tax exemption under section 31.4, 31.5, or 31.6 of this chapter, the owner or possessor of:

(1) a truck chassis under section 31.4 of this chapter;

(2) a passenger motor vehicle under section 31.5 of this chapter; or

(3) a school bus body or chassis under section 31.6 of this chapter;

must file a claim for an exemption at the same time that the taxpayer is required to file a personal property tax return.

(b) A claim for exemption under this section must be filed on a form:

(1) prescribed by the ~~state board of tax commissioners;~~ **department of local government finance;** and

(2) containing the following information:

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

(B) A statement indicating the ownership and the possession of the property.

(C) The grounds for claiming the exemption.

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

(E) Any additional information that the ~~state board of tax commissioners~~ **department of local government finance** may require that is:

(i) reasonably related to the exemption; and

(ii) necessary to determine the exemption.

(c) Notwithstanding subsection (b), an owner or a possessor may claim an exemption for a chassis or vehicle under this section without filing the form required under subsection (b) if:

(1) before March 1 the owner or possessor of the chassis or vehicle identifies the chassis or vehicle, by chassis or vehicle identification number, as a chassis or vehicle to be used to fulfill an order from an out-of-state dealer; and

(2) the owner or possessor of the chassis or vehicle submits with the owner's or possessor's personal property return a list that:

(A) gives the chassis or vehicle identification number of each chassis or vehicle claimed to be exempt under subdivision (1); and

(B) identifies the order from an out-of-state dealer that corresponds to each chassis or vehicle listed.

(d) If, upon the request of the local assessing official, a county assessor, a member of the county property tax assessment board of

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appeals, or the ~~state board of tax commissioners,~~ **department of local government finance** the owner or possessor is unable to verify that the chassis or vehicle was used to fulfill the identified order, an exemption claimed under subsection (c) shall be denied.

SECTION 103. IC 6-1.1-10-40 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 40. (a) The following definitions apply throughout this section:

(1) "Commodity Exchange Act" means the act of the United States Congress known as the Commodity Exchange Act (7 U.S.C. 1 et seq.) as in effect on January 1, 1991.

(2) "Commodity" means:

(A) a commodity (as defined in Section 2 of the Commodity Exchange Act (7 U.S.C. 2)); or

(B) a metal.

(3) "Contract market" means:

(A) a board of trade (as defined in Section 2 of the Commodity Exchange Act (7 U.S.C. 2)) that:

(i) is designated by the federal Commodity Futures Trading Commission as a contract market under Section 5 of the Commodity Exchange Act (7 U.S.C. 7); and

(ii) is subject to regulation under the Commodity Exchange Act; or

(B) a metal exchange conforming to the United Kingdom Financial Services Act.

The term includes, without limitation, the Board of Trade of the City of Chicago and the London Metal Exchange of London, England.

(4) "Metal" means a nonferrous metal that conforms to the specifications covering quality, shape, and weight set forth by the special contract rules for metals of the London Metal Exchange.

(5) "Regular warehouse" and "regular shipping plant" mean a warehouse, shipping plant, depository, or other facility in Indiana that has been designated or approved by a contract market as a regular delivery point for a commodity on contracts of sale for future delivery.

(6) "Warehouseman" means the owner, lessee, operator, proprietor, or manager of a regular warehouse or regular shipping plant.

(b) A commodity that is located or stored in a regular warehouse or regular shipping plant is exempt from taxation under this article if on the assessment date the commodity is subject to a warehouse receipt or shipping certificate that has been issued, registered, and delivered by

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a warehouseman or is held on warrant according to the rules and regulations of a contract market.

(c) A warehouseman may claim the exemption provided by this section for a commodity located or stored at the warehouseman's regular warehouse or regular shipping plant by reporting on the warehouseman's personal property tax return the true tax value of the commodity for which the exemption is claimed. A warehouseman shall claim the exemption on the personal property tax return in the manner prescribed by the ~~state board of tax commissioners.~~ **department of local government finance.**

(d) Notwithstanding any other law, a warehouseman is not required to file an exemption application in order to claim the exemption provided by this section.

SECTION 104. IC 6-1.1-11-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The county property tax assessment board of appeals, after careful examination, shall approve or disapprove each exemption application and shall note its action on the application.

(b) If the county property tax assessment board of appeals approves the exemption, in whole or part, the county auditor shall note the board's action on the tax duplicate. The county auditor's notation is notice to the county treasurer that the exempt property shall not be taxed for the current year unless otherwise ordered by the ~~state board of tax commissioners.~~ **department of local government finance.**

(c) If the exemption application is disapproved by the county property tax assessment board of appeals, the county auditor shall notify the applicant by mail. Within thirty (30) days after the notice is mailed, the owner may, in the manner prescribed in IC 6-1.1-15-3, petition the ~~state board of tax commissioners~~ **Indiana board** to review the county property tax assessment board of appeals' determination.

SECTION 105. IC 6-1.1-11-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. On or before August ~~1st~~ **1** of each year, the county auditor of each county shall forward to the ~~state board of tax commissioners~~ **department of local government finance** the duplicate copies of all approved exemption applications. The ~~state board of tax commissioners~~ **department of local government finance** shall review the approved applications. The ~~state board of tax commissioners~~ **department of local government finance** may deny an exemption if the ~~board~~ **department** determines that the property is not tax exempt under the laws of this state. However, before denying an exemption, the ~~board~~ **department of local government finance** must give notice to the applicant, and **the**

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department must hold a hearing on the exemption application. ~~The board shall hold such a hearing in the same manner prescribed for assessment hearings under IC 1971, 6-1.1-15-4(a).~~

SECTION 106. IC 6-1.1-12-2, AS AMENDED BY P.L.291-2001, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as provided in section 17.8 of this chapter, a person who desires to claim the deduction provided by section 1 of this chapter must file a statement in duplicate, on forms prescribed by the ~~state board of tax commissioners,~~ **department of local government finance,** with the auditor of the county in which the real property, mobile home not assessed as real property, or manufactured home not assessed as real property is located. The statement must be filed during the twelve (12) months before May 11 of each year for which the person wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. In addition to the statement required by this subsection, a contract buyer who desires to claim the deduction must submit a copy of the recorded contract or recorded memorandum of the contract, which must contain a legal description sufficient to meet the requirements of IC 6-1.1-5, with the first statement that the buyer files under this section with respect to a particular parcel of real property. Upon receipt of the statement and the recorded contract or recorded memorandum of the contract, the county auditor shall assign a separate description and identification number to the parcel of real property being sold under the contract.

(b) The statement referred to in subsection (a) must be verified under penalties for perjury, and the statement must contain the following information:

(1) The balance of the person's mortgage or contract indebtedness on the assessment date of the year for which the deduction is claimed.

(2) The assessed value of the real property, mobile home, or manufactured home.

(3) The full name and complete residence address of the person and of the mortgagee or contract seller.

(4) The name and residence of any assignee or bona fide owner or holder of the mortgage or contract, if known, and if not known, the person shall state that fact.

(5) The record number and page where the mortgage, contract, or memorandum of the contract is recorded.

(6) A brief description of the real property, mobile home, or

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manufactured home which is encumbered by the mortgage or sold under the contract.

(7) If the person is not the sole legal or equitable owner of the real property, mobile home, or manufactured home, the exact share of the person's interest in it.

(8) The name of any other county in which the person has applied for a deduction under this section and the amount of deduction claimed in that application.

(c) The authority for signing a deduction application filed under this section may not be delegated by the real property, mobile home, or manufactured home owner or contract buyer to any person except upon an executed power of attorney. The power of attorney may be contained in the recorded mortgage, contract, or memorandum of the contract, or in a separate instrument.

SECTION 107. IC 6-1.1-12-10.1, AS AMENDED BY P.L.291-2001, SECTION 132, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10.1. (a) Except as provided in section 17.8 of this chapter, an individual who desires to claim the deduction provided by section 9 of this chapter must file a sworn statement, on forms prescribed by the ~~state board of tax commissioners,~~ **department of local government finance,** with the auditor of the county in which the real property, mobile home, or manufactured home is located. With respect to real property, the statement must be filed during the twelve (12) months before May 11 of each year for which the individual wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed between January 15 and March 31, inclusive of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) The statement referred to in subsection (a) shall be in affidavit form or require verification under penalties of perjury. The statement must be filed in duplicate if the applicant owns, or is buying under a contract, real property, a mobile home, or a manufactured home subject to assessment in more than one (1) county or in more than one (1) taxing district in the same county. The statement shall contain:

(1) the source and exact amount of gross income received by the individual and his spouse during the preceding calendar year;

(2) the description and assessed value of the real property, mobile home, or manufactured home;

(3) the individual's full name and his complete residence address;

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(4) the record number and page where the contract or memorandum of the contract is recorded if the individual is buying the real property, mobile home, or manufactured home on contract; and

(5) any additional information which the ~~state board of tax commissioners~~ **department of local government finance** may require.

(c) In order to substantiate his deduction statement, the applicant shall submit for inspection by the county auditor a copy of his and a copy of his spouse's income tax returns for the preceding calendar year. If either was not required to file an income tax return, the applicant shall subscribe to that fact in the deduction statement.

SECTION 108. IC 6-1.1-12-12, AS AMENDED BY P.L.291-2001, SECTION 134, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Except as provided in section 17.8 of this chapter, a person who desires to claim the deduction provided in section 11 of this chapter must file an application, on forms prescribed by the ~~state board of tax commissioners,~~ **department of local government finance,** with the auditor of the county in which the real property, mobile home not assessed as real property, or manufactured home not assessed as real property is located. The application must be filed during the twelve (12) months before May 11 of each year for which the individual wishes to obtain the deduction. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) Proof of blindness may be supported by:

(1) the records of a county office of family and children, the division of family and children, or the division of disability, aging, and rehabilitative services; or

(2) the written statement of a physician who is licensed by this state and skilled in the diseases of the eye or of a licensed optometrist.

(c) The application required by this section must contain the record number and page where the contract or memorandum of the contract is recorded if the individual is buying the real property, mobile home, or manufactured home on a contract that provides that he is to pay property taxes on the real property, mobile home, or manufactured home.

SECTION 109. IC 6-1.1-12-17.5, AS AMENDED BY P.L.291-2001, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17.5. (a) Except as

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provided in section 17.8 of this chapter, a veteran who desires to claim the deduction provided in section 17.4 of this chapter must file a sworn statement, on forms prescribed by the ~~state board of tax commissioners,~~ **department of local government finance,** with the auditor of the county in which the real property, mobile home, or manufactured home is assessed. The veteran must file the statement during the twelve (12) months before May 11 of each year for which ~~he~~ **the veteran** wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) The statement required under this section shall be in affidavit form or require verification under penalties of perjury. The statement shall be filed in duplicate if the veteran has, or is buying under a contract, real property in more than one (1) county or in more than one (1) taxing district in the same county. The statement shall contain:

(1) a description and the assessed value of the real property, mobile home, or manufactured home;

(2) the veteran's full name and ~~his~~ complete residence address;

(3) the record number and page where the contract or memorandum of the contract is recorded, if the individual is buying the real property, mobile home, or manufactured home on a contract that provides that ~~he~~ **the individual** is to pay property taxes on the real property, mobile home, or manufactured home; and

(4) any additional information which the ~~state board of tax commissioners~~ **department of local government finance** may require.

SECTION 110. IC 6-1.1-12-18, AS AMENDED BY P.L.129-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) If the assessed value of residential real property described in subsection (d) ~~of this section~~ is increased because it has been rehabilitated, the owner may have deducted from the assessed value of the property an amount not to exceed the lesser of:

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

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

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

(b) For purposes of this section, the term "rehabilitation" means significant repairs, replacements, or improvements to an existing structure which are intended to increase the livability, utility, safety, or value of the property under rules adopted by the ~~state board of tax~~

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~~commissioners.~~ **department of local government finance.**

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

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

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

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

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

SECTION 111. IC 6-1.1-12-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) A property owner who desires to obtain the deduction provided by section 18 of this chapter must file a certified deduction application, on forms prescribed by the ~~state board of tax commissioners,~~ **department of local government finance,** with the auditor of the county in which the rehabilitated property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b), ~~of this section,~~ the application must be filed before May 10 of the year in which the addition to assessed value is made.

(b) If notice of the addition to assessed value for any year is not given to the property owner before April 10 of that year, the application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The application required by this section shall contain the following information:

(1) a description of the property for which a deduction is claimed in sufficient detail to afford identification;

(2) statements of the ownership of the property;

(3) the assessed value of the improvements on the property before rehabilitation;

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(4) the number of dwelling units on the property;
(5) the number of dwelling units rehabilitated;
(6) the increase in assessed value resulting from the rehabilitation; and
(7) the amount of deduction claimed.

(d) A deduction application filed under this section is applicable for the year in which the increase in assessed value occurs and for the immediately following four (4) years without any additional application being filed.

(e) On verification of an application by the assessor of the township in which the property is located, the county auditor shall make the deduction.

SECTION 112. IC 6-1.1-12-22, AS AMENDED BY P.L.129-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) If the assessed value of property is increased because it has been rehabilitated and the owner has paid at least ten thousand dollars ($10,000) for the rehabilitation, the owner is entitled to have deducted from the assessed value of the property an amount equal to fifty percent (50%) of the increase in assessed value resulting from the rehabilitation. The owner is entitled to this deduction annually for a five (5) year period. However, the maximum deduction which a property owner may receive under this section for a particular year is:

(1) sixty thousand dollars ($60,000) for a single family dwelling unit; or
(2) three hundred thousand dollars ($300,000) for any other type of property.

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

(c) For purposes of this section, the term "rehabilitation" means significant repairs, replacements, or improvements to an existing structure that are intended to increase the livability, utility, safety, or value of the property under rules adopted by the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 113. IC 6-1.1-12-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. (a) A property owner who desires to obtain the deduction provided by section 22 of this chapter must file a certified deduction application, on forms prescribed by the ~~state board of tax commissioners,~~ **department of local government finance,** with the auditor of the county in which the

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property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b), ~~of this section,~~ the application must be filed before May 10 of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation for any year is not given to the property owner before April 10 of that year, the application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The application required by this section shall contain the following information:

(1) the name of the property owner;

(2) a description of the property for which a deduction is claimed in sufficient detail to afford identification;

(3) the assessed value of the improvements on the property before rehabilitation;

(4) the increase in the assessed value of improvements resulting from the rehabilitation; and

(5) the amount of deduction claimed.

(d) A deduction application filed under this section is applicable for the year in which the addition to assessed value is made and in the immediate following four (4) years without any additional application being filed.

(e) On verification of the correctness of an application by the assessor of the township in which the property is located, the county auditor shall make the deduction.

SECTION 114. IC 6-1.1-12-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) The owner of real property, or a mobile home which is not assessed as real property, which is equipped with a solar energy heating or cooling system may have deducted annually from the assessed value of the real property or mobile home an amount which is equal to the remainder of (1) the assessed value of the real property or mobile home with the solar energy heating or cooling system included, minus (2) the assessed value of the real property or mobile home without the system.

(b) The ~~state board of tax commissioners~~ **department of local government finance** shall promulgate rules and regulations for determining the value of a solar energy heating or cooling system. The rules and regulations must provide the method of determining the value on the basis of:

(1) the cost of the system components that are unique to the

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system and that are needed to collect, store, or distribute solar energy; and

(2) any other factor that is a just and proper indicator of value.

SECTION 115. IC 6-1.1-12-27.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27.1. Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 26 of this chapter must file a certified statement in duplicate, on forms prescribed by the ~~state board of tax commissioners,~~ **department of local government finance,** with the auditor of the county in which the real property or mobile home is subject to assessment. With respect to real property, the person must file the statement during the twelve (12) months before May 11 of each year for which ~~he~~ **the person** desires to obtain the deduction. With respect to a mobile home which is not assessed as real property, the person must file the statement between January 15 and March 31, inclusive, of each year for which ~~he~~ **the person** desires to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. On verification of the statement by the assessor of the township in which the real property or mobile home is subject to assessment, the county auditor shall allow the deduction.

SECTION 116. IC 6-1.1-12-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 30. Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 29 of this chapter must file a certified statement in duplicate, on forms prescribed by the ~~state board of tax commissioners,~~ **department of local government finance,** with the auditor of the county in which the real property or mobile home is subject to assessment. With respect to real property, the person must file the statement between March 1 and May 10, inclusive, of each year for which ~~he~~ **the person** desires to obtain the deduction. With respect to a mobile home which is not assessed as real property, the person must file the statement between January 15 and March 31, inclusive, of each year for which ~~he~~ **the person** desires to obtain the deduction. On verification of the statement by the assessor of the township in which the real property or mobile home is subject to assessment, the county auditor shall allow the deduction.

SECTION 117. IC 6-1.1-12-38 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 38. (a) A person is entitled to a deduction from the assessed value of the person's property in an amount equal to the difference between:

(1) the assessed value of the person's property, including the

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assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11; minus

(2) the assessed value of the person's property, excluding the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11.

(b) To obtain the deduction under this section, a person must file a certified statement in duplicate, on forms prescribed by the ~~state board of tax commissioners,~~ **department of local government finance,** with the auditor of the county in which the property is subject to assessment. In addition to the certified statement, the person must file a certification by the state chemist listing the improvements that were made to comply with the fertilizer storage rules adopted under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11. The statement and certification must be filed before May 10 of the year preceding the year the deduction will first be applied. Upon the verification of the statement and certification by the assessor of the township in which the property is subject to assessment, the county auditor shall allow the deduction.

SECTION 118. IC 6-1.1-12.1-3, AS AMENDED BY P.L.198-2001, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) An applicant must provide a statement of benefits to the designating body. If the designating body requires information from the applicant for economic revitalization area status for use in making its decision about whether to designate an economic revitalization area, the applicant shall provide the completed statement of benefits form to the designating body before the hearing required by section 2.5(c) of this chapter. Otherwise, the statement of benefits form must be submitted to the designating body before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction under this chapter. The ~~state board of tax commissioners~~ **department of local government finance** shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

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

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

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

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

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

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

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

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

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

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

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

(c) Except as provided in subsections (a) through (b), the owner of property which is located in an economic revitalization area is entitled to a deduction from the assessed value of the property. If the area is a residentially distressed area, the period is not more than five (5) years. For all other economic revitalization areas designated before July 1, 2000, the period is three (3), six (6), or ten (10) years. For all economic revitalization areas designated after June 30, 2000, the period is the number of years determined under subsection (d). The owner is entitled to a deduction if:

(1) the property has been rehabilitated; or

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

The owner is entitled to the deduction for the first year, and any

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successive year or years, in which an increase in assessed value resulting from the rehabilitation or redevelopment occurs and for the following years determined under subsection (d). However, property owners who had an area designated an urban development area pursuant to an application filed prior to January 1, 1979, are only entitled to a deduction for a five (5) year period. In addition, property owners who are entitled to a deduction under this chapter pursuant to an application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for a ten (10) year period.

(d) For an area designated as an economic revitalization area after June 30, 2000, that is not a residentially distressed area, the designating body shall determine the number of years for which the property owner is entitled to a deduction. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

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

(2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the county auditor. A certified copy of the resolution shall be sent to the county auditor who shall make the deduction as provided in section 5 of this chapter.

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

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

(1) Private or commercial golf course.

(2) Country club.

(3) Massage parlor.

(4) Tennis club.

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

(6) Racquet sport facility (including any handball or racquetball court).

(7) Hot tub facility.

(8) Suntan facility.

(9) Racetrack.

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

(f) This subsection applies only to a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000). Notwithstanding subsection (e)(11), in a county subject to this subsection a designating body may, before September 1, 2000, approve a deduction under this chapter for the redevelopment or rehabilitation of real property consisting of residential facilities that are located in unincorporated areas of the county if the designating body makes a finding that the facilities are needed to serve any combination of the following:
(1) Elderly persons who are predominately low-income or moderate-income persons.
(2) Disabled persons.
A designating body may adopt an ordinance approving a deduction under this subsection only one (1) time. This subsection expires January 1, 2011.

SECTION 119. IC 6-1.1-12.1-4, AS AMENDED BY P.L.4-2000, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Except as provided in section 2(i)(4) of this chapter, the amount of the deduction which the property owner is entitled to receive under section 3 of this chapter for a particular year equals the product of:
(1) the increase in the assessed value resulting from the

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rehabilitation or redevelopment; multiplied by

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

(b) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a general reassessment of real property occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the general reassessment.

(2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

The ~~state board of tax commissioners~~ **department of local government finance** shall adopt rules under IC 4-22-2 to implement this subsection.

(c) Property owners who had an area designated an urban development area pursuant to an application filed prior to January 1, 1979, are only entitled to the deduction for the first through the fifth years as provided in subsection (d)(10). In addition, property owners who are entitled to a deduction under this chapter pursuant to an application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for the first through the tenth years, as provided in subsection (d)(10).

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

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%

(3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

(4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE

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1st	100%
2nd	75%
3rd	50%
4th	25%

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

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	80%
3rd	60%
4th	40%
5th	20%

(6) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	17%

(7) For deductions allowed over a seven (7) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	71%
4th	57%
5th	43%
6th	29%
7th	14%

(8) For deductions allowed over an eight (8) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	75%
4th	63%
5th	50%
6th	38%
7th	25%
8th	13%

(9) For deductions allowed over a nine (9) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%

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3rd	77%
4th	66%
5th	55%
6th	44%
7th	33%
8th	22%
9th	11%

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

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	80%
4th	65%
5th	50%
6th	40%
7th	30%
8th	20%
9th	10%
10th	5%

SECTION 120. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.4-2000, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.5. (a) For purposes of this section, "personal property" means personal property other than inventory (as defined in IC 6-1.1-3-11(a)).

(b) An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in section 2.5(c) of this chapter or before the installation of the new manufacturing equipment or new research and development equipment, or both, for which the person desires to claim a deduction under this chapter. The ~~state board of tax commissioners~~ **department of local government finance** shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the new manufacturing equipment or new research and development equipment, or both, that the person proposes to acquire.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment;

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

(3) An estimate of the cost of the new manufacturing equipment or new research and development equipment, or both.

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

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

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

(1) Whether the estimate of the cost of the new manufacturing equipment or new research and development equipment, or both, is reasonable for equipment of that type.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment;

whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment or new research and development equipment, or both.

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

(4) With respect to new manufacturing equipment used to dispose

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

(5) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment or new research and development equipment, or both.

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

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

(d) Except as provided in subsection (f), an owner of new manufacturing equipment whose statement of benefits is approved before May 1, 1991, is entitled to a deduction from the assessed value of that equipment for a period of five (5) years. Except as provided in subsections (f) and (i), an owner of new manufacturing equipment or new research and development equipment, or both, whose statement of benefits is approved after June 30, 2000, is entitled to a deduction from the assessed value of that equipment for the number of years determined by the designating body under subsection (h). Except as provided in subsections (f) and (g) and in section 2(i)(3) of this chapter, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

(1) the assessed value of the new manufacturing equipment or new research and development equipment, or both, in the year that the equipment is installed; multiplied by

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

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

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd and thereafter	0%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%

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3rd and thereafter	0%

(3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%
4th and thereafter	0%

(4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	75%
3rd	50%
4th	25%
5th and thereafter	0%

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

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	80%
3rd	60%
4th	40%
5th	20%
6th and thereafter	0%

(6) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	25%
7th and thereafter	0%

(7) For deductions allowed over a seven (7) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	71%
4th	57%
5th	43%
6th	29%
7th	14%
8th and thereafter	0%

(8) For deductions allowed over an eight (8) year period:

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YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	75%
4th	63%
5th	50%
6th	38%
7th	25%
8th	13%
9th and thereafter	0%

(9) For deductions allowed over a nine (9) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	77%
4th	66%
5th	55%
6th	44%
7th	33%
8th	22%
9th	11%
10th and thereafter	0%

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

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	90%
3rd	80%
4th	70%
5th	60%
6th	50%
7th	40%
8th	30%
9th	20%
10th	10%
11th and thereafter	0%

(f) Notwithstanding subsections (d) and (e), a deduction under this section is not allowed in the first year the deduction is claimed for new manufacturing equipment or new research and development equipment, or both, to the extent that it would cause the assessed value of all of the personal property of the owner in the taxing district in which the equipment is located (excluding personal property that is assessed as construction in process) to be less than the assessed value

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of all of the personal property of the owner in that taxing district (excluding personal property that is assessed as construction in process) in the immediately preceding year.

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

(h) For an economic revitalization area designated before July 1, 2000, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. For an economic revitalization area designated after June 30, 2000, the designating body shall determine the number of years the deduction is allowed. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

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

(2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the ~~state board of tax commissioners.~~ **department of local government finance.** A certified copy of the resolution shall be sent to the county auditor and the ~~state board of tax commissioners.~~ **department of local government finance.**

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

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

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

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

SECTION 121. IC 6-1.1-12.1-4.6, AS ADDED BY P.L.126-2000, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.6. (a) A designating body may adopt a resolution to authorize a property owner to relocate new manufacturing equipment for which a deduction is being granted under this chapter.

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The resolution may provide that the new manufacturing equipment may only be relocated to:

(1) a new location within the same economic revitalization area; or

(2) a new location within a different economic revitalization area if the area is within the jurisdiction of the designating body.

(b) Before adopting a resolution under this section, the designating body shall conduct a public hearing on the proposed resolution. Notice of the public hearing shall be published in accordance with IC 5-3-1. In addition, the designating body shall notify each taxing unit within the original and the new economic revitalization area of the proposed resolution, including the date and time of the public hearing. If a resolution is adopted under this section, the designating body shall deliver a copy of the adopted resolution to the county auditor and the ~~state board of tax commissioners~~ **department of local government finance** within thirty (30) days after its adoption.

(c) New manufacturing equipment relocated under this section remains eligible for the assessed value deduction under this chapter. ~~However,~~ The same deduction percentage is to be applied as if the new manufacturing equipment had not been relocated.

SECTION 122. IC 6-1.1-12.1-5, AS AMENDED BY P.L.4-2000, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A property owner who desires to obtain the deduction provided by section 3 of this chapter must file a certified deduction application, on forms prescribed by the ~~state board of tax commissioners,~~ **department of local government finance,** with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (e), the deduction application must be filed before May 10 of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before April 10 of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

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

(1) The name of the property owner.

(2) A description of the property for which a deduction is claimed in sufficient detail to afford identification.

(3) The assessed value of the improvements before rehabilitation.

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(4) The increase in the assessed value of improvements resulting from the rehabilitation.

(5) The assessed value of the new structure in the case of redevelopment.

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

(7) If the deduction application is for a deduction in a residentially distressed area, the assessed value of the improvement or new structure for which the deduction is claimed.

(d) A deduction application filed under subsection (a) or (b) is applicable for the year in which the addition to assessed value or assessment of a new structure is made and in the following years the deduction is allowed without any additional deduction application being filed. However, property owners who had an area designated an urban development area pursuant to a deduction application filed prior to January 1, 1979, are only entitled to a deduction for a five (5) year period. In addition, property owners who are entitled to a deduction under this chapter pursuant to a deduction application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for a ten (10) year period.

(e) A property owner who desires to obtain the deduction provided by section 3 of this chapter but who has failed to file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and May 10 of a subsequent year which shall be applicable for the year filed and the subsequent years without any additional deduction application being filed for the amounts of the deduction which would be applicable to such years pursuant to section 4 of this chapter if such a deduction application had been filed in accordance with subsection (a) or (b).

(f) On verification of the correctness of a deduction application by the assessor of the township in which the property is located, the county auditor shall act as follows:

(1) If a determination about the number of years the deduction is allowed has been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall make the appropriate deduction.

(2) If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body. Upon receipt of the resolution stating the number of years the deduction will be allowed, the county auditor shall make the appropriate deduction.

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(3) If the deduction application is for rehabilitation or redevelopment in a residentially distressed area, the county auditor shall make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 3 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

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

(2) files an application in the manner provided by subsection (e).

(h) The township assessor shall include a notice of the deadlines for filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment.

SECTION 123. IC 6-1.1-12.1-5.8, AS AMENDED BY P.L.4-2000, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.8. In lieu of providing the statement of benefits required by section 3 or 4.5 of this chapter and the additional information required by section 5.1 or 5.6 of this chapter, the designating body may, by resolution, waive the statement of benefits if the designating body finds that the purposes of this chapter are served by allowing the deduction and the property owner has, during the thirty-six (36) months preceding the first assessment date to which the waiver would apply, installed new manufacturing equipment or new research and development equipment, or both, or developed or rehabilitated property at a cost of at least ten million dollars ($10,000,000) as determined by the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 124. IC 6-1.1-12.1-5.9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.9. (a) This section does not apply to:

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

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

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

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property owner's products or services), the designating body shall mail a written notice to the property owner. The written notice must include the following provisions:

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

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

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

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

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

(1) the property owner;

(2) the county auditor; and

(3) the ~~state board of tax commissioners~~ **department of local government finance** if the deduction was granted under section 4.5 of this chapter.

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

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the county treasurer shall immediately mail the property owner a revised statement that reflects the termination of the deduction.

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

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

SECTION 125. IC 6-1.1-12.1-8, AS AMENDED BY P.L.4-2000, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Not later than December 31 of each year, the county auditor shall publish the following in a newspaper of general interest and readership and not one of limited subject matter:

(1) A list of the approved deduction applications that were filed under this chapter during that year. The list must contain the following:

(A) The name and address of each person approved for or receiving a deduction that was filed for during the year.

(B) The amount of each deduction that was filed for during the year.

(C) The number of years for which each deduction that was filed for during the year will be available.

(D) The total amount for all deductions that were filed for and granted during the year.

(2) The total amount of all deductions for real property that were in effect under section 3 of this chapter during the year.

(3) The total amount of all deductions for new manufacturing equipment or new research and development equipment, or both, that were in effect under section 4.5 of this chapter during the year.

(b) The county auditor shall file the information described in subsection (a)(2) and (a)(3) with the ~~state board of tax commissioners~~ **department of local government finance** not later than December 31

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of each year.

SECTION 126. IC 6-1.1-13-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. A county property tax assessment board of appeals shall correct any errors in the names of persons, in the description of tangible property, and in the assessed valuation of tangible property appearing on the assessment lists. In addition, the board shall do whatever else may be necessary to make the assessment lists and returns comply with the provisions of this article and the rules and regulations of the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 127. IC 6-1.1-13-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. If a taxpayer's personal property return for a year substantially complies with the provisions of this article and the regulations of the ~~state board of tax commissioners,~~ **department of local government finance,** the county property tax assessment board of appeals may change the assessed value claimed by the taxpayer on the return only within the time period prescribed in IC 6-1.1-16-1.

SECTION 128. IC 6-1.1-14-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. Each county assessor shall transmit to the ~~state board of tax commissioners~~ **department of local government finance** each business personal property return which the township assessor is required to deliver to the county assessor under IC ~~1971,~~ 6-1.1-3-18(b) and any supporting data supplied by the taxpayer with the return. The return and supporting data shall be transmitted to the ~~board~~ **department of local government finance** on or before the time prescribed by the ~~board.~~ **department.**

SECTION 129. IC 6-1.1-14-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. Each year the ~~state board of tax commissioners~~ **department of local government finance** shall review the business personal property tax returns of taxpayers who report a total assessed value of fifteen thousand dollars ($15,000) or more. The ~~board~~ **department of local government finance** shall determine the returns in which the assessment appears to be improper.

SECTION 130. IC 6-1.1-14-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. The ~~state board of tax commissioners~~ **department of local government finance** shall review the assessments of all tangible property made by the various counties of this state. If the ~~board~~ **department of local government finance** determines that the assessment of a county appears to be

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improper, the ~~board~~ **department** shall mail a certified notice to the auditor of the county informing ~~him~~ **the auditor** of the ~~board's~~ **department's** determination to consider the modification of that county's assessment. The notice shall state whether the modification to be considered is related to real property, personal property, or both. The notice shall also state a day, at least ten (10) days after the day the notice is mailed, when a hearing on the assessment will be held. In addition to the notice to the county auditor, the ~~board~~ **department of local government finance** shall give the notice, if any, required under section 9(a) of this chapter.

SECTION 131. IC 6-1.1-14-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) After holding the hearings referred to in section 4 of this chapter, the ~~state board of tax commissioners~~ **department of local government finance** shall, in order to equalize assessed values in any county or in the state as a whole, issue an order increasing or decreasing assessed values of any tangible property if the ~~board~~ **department** finds:

(1) that the assessed values in any county are not uniform and equal as to townships, portions of the same township, or classes of property; or

(2) that the assessed values in this state are not uniform and equal either as between counties or as to classes of property.

(b) The ~~state board of tax commissioners~~ **department of local government finance** may not issue an equalization order to increase or decrease assessed values under this section more than twelve (12) months after the county estimates of assessed valuation required under IC 6-1.1-17-1 are filed with the ~~board.~~ **department.**

(c) If the ~~state board of tax commissioners~~ **department of local government finance** issues an equalization order under this section, the ~~board~~ **department** shall state in the order the percentage to be added to or deducted from the assessed value of the tangible property affected by the order.

(d) In issuing an equalization order under this section, the ~~state board of tax commissioners~~ **department of local government finance** may not reduce or increase the aggregate assessed values of any township beyond the amounts actually necessary for a just and proper equalization of assessments within the entire state.

SECTION 132. IC 6-1.1-14-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. If the ~~state board of tax commissioners~~ **department of local government finance** issues an equalization order under section 5 of this chapter, the ~~board~~ **department** shall mail certified copies of the order to the auditor and

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the sheriff of each county affected by the order. The ~~board~~ **department of local government finance** shall mail the copies within five (5) days after the equalization order is adopted. Each county sheriff shall immediately post a copy of the equalization order in ~~he~~ **the** county courthouse at the place customarily used for posting public notices. If the ~~board~~ **department of local government finance** issues an equalization order under section 5 of this chapter, the ~~board~~ **department** shall also give the notice required under section 9(b) of this chapter.

SECTION 133. IC 6-1.1-14-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. The county assessor, a township assessor, or ten (10) or more taxpayers who are affected by an equalization order issued under section 5 of this chapter may file a petition for review of the order with the county assessor of the county to which the equalization order is issued. The petition must be filed within ten (10) days after notice of the order is given under section 9 of this chapter. The petition shall set forth, in the form and detail prescribed by the ~~state board of tax commissioners,~~ **department of local government finance,** the objections to the equalization order.

SECTION 134. IC 6-1.1-14-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) If a petition for review of an equalization order is filed with a county auditor under section 7 of this chapter, the county auditor shall immediately mail a certified copy of the petition and any information relevant to the petition to the ~~state board of tax commissioners.~~ **department of local government finance.** Within a reasonable period of time, the ~~state board of tax commissioners~~ **department of local government finance** shall fix a date for a hearing on the petition. The hearing shall be held in the county to which the equalization order has been directed. At least three (3) days before the date fixed for the hearing, the ~~board~~ **department of local government finance** shall give notice of the hearing by mail to the township and county assessors whose assessments are affected by the order and to the first ten (10) taxpayers whose names appear on the petition for review at the addresses listed by those taxpayers on the petition. In addition, the ~~board~~ **department of local government finance** shall give the notice, if any, required under section 9(a) of this chapter.

(b) After the hearing required by subsection (a), ~~of this section,~~ the ~~state board of tax commissioners~~ **department of local government finance** may affirm, modify, or set aside its equalization order. The ~~board~~ **department** shall certify its action with respect to the order to the county auditor. The county auditor shall immediately make any

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changes in the assessed values required by the ~~board's~~ action **of the department of local government finance.**

SECTION 135. IC 6-1.1-14-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) If a hearing is required under section 4 or section 8 of this chapter, the ~~state board of tax commissioners~~ **department of local government finance** shall give notice to the taxpayers of each county for which the ~~board~~ **department** is to consider an increase in the assessments. The notice shall state the time, place, and object of the public hearing on the assessments. The ~~board~~ **department of local government finance** shall give the notice in the manner prescribed in subsection (c). ~~of this section.~~

(b) If an equalization order is issued under section 5 of this chapter, the ~~state board of tax commissioners~~ **department of local government finance** shall give notice of the order to the taxpayers of each county to which the order is directed. The ~~board~~ **department of local government finance** shall give the notice in the manner provided in subsection (c). ~~of this section.~~ The notice required by this subsection is in lieu of the notices required by IC ~~1971,~~ 6-1.1-3-13 or IC ~~1971,~~ 6-1.1-4-22.

(c) A notice required by this section shall be published once in:

(1) two (2) newspapers of general circulation published in the county; or

(2) one (1) newspaper of general circulation published in the county if two (2) newspapers of general circulation are not published in the county.

~~However,~~ If there are no newspapers of general circulation published in the county, the notice shall be given by posting a statement of the time, place, and object of the hearing in the county courthouse at the usual place for posting public notices. The published or posted notice of a hearing shall be given at least ten (10) days before the time fixed for the hearing.

SECTION 136. IC 6-1.1-14-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. The ~~state board of tax commissioners~~ **department of local government finance** may at any time review the assessment or reassessment of any tangible property and may reassess the property. ~~However,~~ Any change in an assessment is subject to the requirements and limitations prescribed in section 11 of this chapter.

SECTION 137. IC 6-1.1-14-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. The ~~state board of tax commissioners~~ **department of local government finance** shall

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give notice by mail to a taxpayer whose assessment is to be reviewed under section 10 of this chapter. The notice shall state the time, place, and object of a hearing on the assessment. The time fixed for the hearing must be at least ten (10) days after the day the notice is mailed. After the hearing, the ~~state board of tax commissioners~~ **department of local government finance** shall assess the property in question and mail a certified notice of its final determination to the appropriate county auditor. In addition, the ~~board~~ **department of local government finance** shall notify the taxpayer by mail of its final determination. ~~However,~~ An assessment or reassessment may not be made under this section unless notice of the ~~board's~~ final determination **of the department of local government finance** is given to the taxpayer within the same time period prescribed, in section 3 or section 4 of IC ~~1971,~~ 6-1.1-9, for giving an assessment adjustment notice.

SECTION 138. IC 6-1.1-15-3, AS AMENDED BY P.L.198-2001, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A taxpayer may obtain a review by the Indiana board of a county property tax assessment board of appeals action with respect to the assessment of that taxpayer's tangible property if the county property tax assessment board of appeals' action requires the giving of notice to the taxpayer. A township assessor, county assessor, member of a county property tax assessment board of appeals, or county property tax assessment board of appeals that made the original determination under appeal under this section, or a county auditor who made the original enterprise zone inventory credit determination under appeal under IC 6-1.1-20.8, is a party to the review under this section to defend the determination. At the time that notice is given to the taxpayer, the taxpayer shall also be informed in writing of:

(1) the taxpayer's opportunity for review under this section; and

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

(b) A township assessor or county assessor may obtain a review by the Indiana board of any assessment which the township assessor or the county assessor has made, upon which the township assessor or the county assessor has passed, or which has been made over the township assessor's or the county assessor's protest.

(c) In order to obtain a review by the Indiana board under this section, the party must file a petition for review with the appropriate county assessor within thirty (30) days after the notice of the county property tax assessment board of appeals action is given to the taxpayer.

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(d) The ~~department of local government finance~~ **Indiana board** shall prescribe the form of the petition for review of an assessment determination by the county property tax assessment board of appeals. The ~~department~~ **Indiana board** shall issue instructions for completion of the form. The form and the instructions must be clear, simple, and understandable to the average individual. An appeal of such a determination must be made on the form prescribed by the ~~department.~~ **Indiana board.** The form must require the petitioner to specify the following:

(1) The items listed in section 1(e)(1) and 1(e)(2) of this chapter.

(2) The reasons why the petitioner believes that the assessment determination by the county property tax assessment board of appeals is erroneous.

(e) The county assessor shall transmit the petition for review to the Indiana board within ten (10) days after it is filed.

(f) If a township assessor or a member of the county property tax assessment board of appeals files a petition for review under this section concerning the assessment of a taxpayer's property, the county assessor must send a copy of the petition to the taxpayer.

SECTION 139. IC 6-1.1-15-9, AS AMENDED BY P.L.198-2001, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. ~~(a)~~ If the assessment of tangible property is corrected by the Indiana board under section 8 of this chapter, the owner of the property has a right to appeal the Indiana board's final determination of the corrected assessment. ~~In a case meeting the requirements of section 5(c)(1) or 5(c)(2) of this chapter, The county executive also has a right to appeal the Indiana board's final determination of the reassessment but only upon request by the county assessor.~~

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

SECTION 140. IC 6-1.1-15-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. If a review or appeal authorized under this chapter results in a reduction of the amount of an assessment or if the ~~state board of tax commissioners~~ **department of local government finance** on its own motion reduces an assessment, the taxpayer is entitled to a credit in the amount of any overpayment of tax on the next successive tax installment, if any, due in that year. If, after the credit is given, a further amount is due the taxpayer, he may file a claim for the amount due. If the claim is allowed by the board of county commissioners, the county auditor shall, without an appropriation being required, pay the amount due the

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taxpayer. The county auditor shall charge the amount refunded to the taxpayer against the accounts of the various taxing units to which the overpayment has been paid.

SECTION 141. IC 6-1.1-15-12, AS AMENDED BY P.L.198-2001, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Subject to the limitations contained in subsections (c) and (d), a county auditor shall correct errors which are discovered in the tax duplicate for any one (1) or more of the following reasons:

(1) The description of the real property was in error.
(2) The assessment was against the wrong person.
(3) Taxes on the same property were charged more than one (1) time in the same year.
(4) There was a mathematical error in computing the taxes or penalties on the taxes.
(5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.
(6) The taxes, as a matter of law, were illegal.
(7) There was a mathematical error in computing an assessment.
(8) Through an error of omission by any state or county officer the taxpayer was not given credit for an exemption or deduction permitted by law.

(b) The county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when ~~he~~ **the county auditor** finds that the error exists.

(c) If the tax is based on an assessment made or determined by the state board of tax commissioners (before the board was abolished) or the department of local government finance, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the **state board of tax commissioners (before the board was abolished) or the** department of local government finance, the county auditor shall correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by at least two (2) of the following officials:

(1) The township assessor.
(2) The county auditor.
(3) The county assessor.

If two (2) of these officials do not approve such a correction, the county auditor shall refer the matter to the county property tax assessment

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board of appeals for determination. The county property tax assessment board of appeals shall provide a copy of the determination to the taxpayer and to the county auditor.

(e) A taxpayer may appeal a determination of the county property tax assessment board of appeals to the Indiana board for a final administrative determination. An appeal under this section shall be conducted in the same manner as appeals under sections 4 through 8 of this chapter. The Indiana board shall send the final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor.

(f) If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of correction to the county treasurer. The county treasurer shall keep the certificate as the voucher for settlement with the county auditor.

(g) A taxpayer that files a personal property tax return under IC 6-1.1-3 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's personal property tax return. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's personal property tax return, the taxpayer must instead file an amended personal property tax return under IC 6-1.1-3-7.5.

SECTION 142. IC 6-1.1-15-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. In any assessment review the assessing official, the county assessor, and the members of a county property tax assessment board of appeals shall:

(1) use the ~~state board of tax commissioners'~~ **department of local government finance's** rules in effect; and

(2) consider the conditions and circumstances of the property as they existed;

on the original assessment date of the property under review.

SECTION 143. IC 6-1.1-15-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. A class action suit against the ~~state board of tax commissioners~~ **Indiana board** may not be maintained in any court, including the Indiana tax court, on behalf of a person who has not complied with the requirements of this chapter or IC 6-1.1-26 before the certification of the class.

SECTION 144. IC 6-1.1-16-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Except as provided in section 2 of this chapter, an assessing official, county assessor, or county property tax assessment board of appeals may not change the assessed value claimed by a taxpayer on a personal property

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return unless the assessing official, county assessor, or county property tax assessment board of appeals takes the action and gives the notice required by IC 6-1.1-3-20 within the following time periods:

(1) A township or county assessing official must make a change in the assessed value and give the notice of the change on or before the latter of:

~~(i)~~ **(A)** September 15 of the year for which the assessment is made; or

~~(ii)~~ **(B)** four (4) months from the date the personal property return is filed if the return is filed after May ~~15th~~ **15** of the year for which the assessment is made.

(2) A county assessor or county property tax assessment board of appeals must make a change in the assessed value, including the final determination by the board of an assessment changed by a township or county assessing official, or county property tax assessment board of appeals, and give the notice of the change on or before the latter of:

~~(i)~~ **(A)** October 30 of the year for which the assessment is made; or

~~(ii)~~ **(B)** five (5) months from the date the personal property return is filed if the return is filed after May ~~15th~~ **15** of the year for which the assessment is made.

(3) The ~~state board of tax commissioners~~ **department of local government finance** must make a preliminary change in the assessed value ~~including a preliminary determination on review of an assessment made by a county property tax assessment board of appeals under IC 6-1.1-15-2.1,~~ and give the notice of the change on or before the latter of:

~~(i)~~ **(A)** October ~~1st~~ **1** of the year immediately following the year for which the assessment is made; or

~~(ii)~~ **(B)** sixteen (16) months from the date the personal property return is filed if the return is filed after May ~~15th~~ **15** of the year for which the assessment is made.

(b) Except as provided in section 2 of this chapter, if an assessing official, a county assessor, or a county property tax assessment board of appeals fails to change an assessment and give notice of the change within the time prescribed by this section, the assessed value claimed by the taxpayer on the personal property return is final.

(c) This section does not limit the authority of a county auditor to correct errors in a tax duplicate under IC 6-1.1-15-12.

(d) This section does not apply if the taxpayer:

(1) fails to file a personal property return which substantially

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complies with the provisions of this article and the regulations of the ~~state board of tax commissioners;~~ **department of local government finance;** or

(2) files a fraudulent personal property return with the intent to evade the payment of property taxes.

(e) A taxpayer may appeal a preliminary determination of the ~~state board of tax commissioners~~ **department of local government finance** under subsection (a)(3) to the ~~division of appeals.~~ **Indiana board.** An appeal under this subdivision shall be conducted in the same manner as an appeal under IC 6-1.1-15-4 through IC 6-1.1-15-8. A preliminary determination that is not appealed under this subsection is a final unappealable order of the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 145. IC 6-1.1-16-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) If a county property tax assessment board of appeals fails to change an assessed value claimed by a taxpayer on a personal property return and give notice of the change within the time prescribed in section 1(a)(2) of this chapter, the township assessor or the county assessor may file a petition for review of the assessment by the ~~state board of tax commissioners.~~ **Indiana board.** The township assessor or the county assessor must file the petition for review in the manner provided in IC 6-1.1-15-3(c). The time period for filing the petition begins to run on the last day that the county board is permitted to act on the assessment under section 1(a)(2) of this chapter as though the board acted and gave notice of its action on that day.

(b) Notwithstanding section 1(a)(3) of this chapter, the ~~state board of tax commissioners~~ **department of local government finance** shall reassess tangible property when an appealed assessment of the property is remanded to the board under IC 6-1.1-15-8.

SECTION 146. IC 6-1.1-16-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) If a county property tax assessment board of appeals is unable to take action on an assessment within the time period prescribed in section 1(a)(2) of this chapter because the board is no longer in session, the board shall file with the ~~state board of tax commissioners~~ **department of local government finance** a written petition requesting permission to conduct a special session for the purpose of reviewing the assessment within the required time period. If the ~~state board of tax commissioners~~ **department of local government finance** approves the petition, it shall specify:

(1) the number of session days granted to the county property tax

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assessment board of appeals; and

(2) the termination date of the special session.

(b) The county auditor shall pay the expenses and per diem allowances resulting from the special session. The county auditor shall draw warrants for these items on county funds not otherwise appropriated, without further appropriations being required for the disbursements.

SECTION 147. IC 6-1.1-17-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) On or before August 1 of each year, the county auditor shall send a certified statement, under the seal of the board of county commissioners, to the fiscal officer of each political subdivision of the county and the ~~state board of tax commissioners.~~ **department of local government finance.** The statement shall contain:

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

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

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

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

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

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

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

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

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

SECTION 148. IC 6-1.1-17-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the

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~~state board of tax commissioners~~ **department of local government finance** and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:

(1) the estimated budget;

(2) the estimated maximum permissible levy;

(3) the current and proposed tax levies of each fund; and

(4) the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing.

(b) The trustee of each township of the county shall:

(1) estimate the amount necessary to meet the cost of poor relief in the township for the ensuing calendar year; and

(2) publish with the township budget a tax rate sufficient to meet the estimated cost of poor relief.

The taxes collected as a result of this rate shall be credited to the county poor fund.

(c) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

(1) in any county of the solid waste management district; and

(2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

SECTION 149. IC 6-1.1-17-5.6, AS ADDED BY P.L.178-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.6. (a) This section applies only to a school corporation that is located in a city having a population of more than ~~ninety thousand (90,000) but less than one hundred ten thousand (110,000).~~ **one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000).**

(b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget for the school corporation for the ensuing budget year, with notice given by the same officers.

(c) Each year, at least two (2) days before the first meeting of the county board of tax adjustment held under IC 6-1.1-29-4, the school corporation shall file with the county auditor:

(1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget year;

(2) two (2) copies of the budget adopted by the school corporation for the ensuing budget year; and

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(3) any written notification from the ~~state board of tax commissioners~~ **department of local government finance** under section 16(i) of this chapter that specifies a proposed revision, reduction, or increase in the budget adopted by the school corporation for the ensuing budget year.

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting.

SECTION 150. IC 6-1.1-17-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) If the county board of tax adjustment determines that the maximum aggregate tax rate permitted within a political subdivision under IC ~~1971,~~ 6-1.1-18 is inadequate, the county board shall, subject to the limitations prescribed in IC ~~1971,~~ 6-1.1-19-2, file its written recommendations in duplicate with the county auditor. The board shall include with its recommendations:

(1) an analysis of the aggregate tax rate within the political subdivision;

(2) a recommended breakdown of the aggregate tax rate among the political subdivisions whose tax rates compose the aggregate tax rate within the political subdivision; and

(3) any other information which the county board considers relevant to the matter.

(b) The county auditor shall forward one (1) copy of the county board's recommendations to the ~~state board of tax commissioners~~ **department of local government finance** and shall retain the other copy in ~~his~~ **the county auditor's** office. The ~~state board of tax commissioners~~ **department of local government finance** shall, in the manner prescribed in section 16 of this chapter, review the budgets, tax rates, and tax levies of the political subdivisions described in subsection (a)(2). ~~of this section.~~

SECTION 151. IC 6-1.1-17-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. When the aggregate tax rate within a political subdivision, as approved or modified by the county board of tax adjustment, exceeds the maximum aggregate tax rate prescribed in IC ~~1971,~~ 6-1.1-18-3(a), the county auditor shall certify the budgets, tax rates, and tax levies of the political subdivisions whose tax rates compose the aggregate tax rate within the political subdivision, as approved or modified by the county board, to the ~~state board of tax commissioners~~ **department of local government finance** for final review. For purposes of this section, the maximum aggregate tax rate limit exceptions provided in IC ~~1971,~~ 6-1.1-18-3(b) do not apply.

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SECTION 152. IC 6-1.1-17-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. A budget, tax rate, or tax levy of a political subdivision, as approved or modified by the county board of tax adjustment, is final unless:

(1) action is taken by the county auditor in the manner provided under section 9 of this chapter;

(2) the action of the county board is subject to review by the ~~state board of tax commissioners~~ **department of local government finance** under section 8 or 10 of this chapter; or

(3) an appeal to the ~~state board of tax commissioners~~ **department of local government finance** is initiated with respect to the budget, tax rate, or tax levy.

SECTION 153. IC 6-1.1-17-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. Ten (10) or more taxpayers may initiate an appeal from the county board of tax adjustment's action on a political subdivision's budget by filing a statement of their objections with the county auditor. The statement must be filed ~~within~~ **not later than** ten (10) days after the publication of the notice required by section 12 of this chapter. The statement shall specifically identify the provisions of the budget and tax levy to which the taxpayers object. The county auditor shall forward the statement, with the budget, to the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 154. IC 6-1.1-17-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. The county auditor shall initiate an appeal to the ~~state board of tax commissioners~~ **department of local government finance** if the county board of tax adjustment reduces a poor relief tax rate below the rate necessary to meet the estimated cost of poor relief.

SECTION 155. IC 6-1.1-17-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. A political subdivision may appeal to the ~~state board of tax commissioners~~ **department of local government finance** for an increase in its tax rate or tax levy as fixed by the county board of tax adjustment or the county auditor. To initiate the appeal, the political subdivision must file a statement with the ~~board within~~ **department of local government finance not later than** ten (10) days after publication of the notice required by section 12 of this chapter. The legislative body of the political subdivision must authorize the filing of the statement by adopting a resolution. The resolution must be attached to the statement of objections, and the statement must be signed by the following officers:

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(1) In the case of counties, by the board of county commissioners and by the president of the county council.

(2) In the case of all other political subdivisions, by the highest executive officer and by the presiding officer of the legislative body.

SECTION 156. IC 6-1.1-17-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) Subject to the limitations and requirements prescribed in this section, the ~~state board of tax commissioners~~ **department of local government finance** may revise, reduce, or increase a political subdivision's budget, tax rate, or tax levy which the ~~board~~ **department** reviews under section 8 or 10 of this chapter.

(b) Subject to the limitations and requirements prescribed in this section, the ~~state board of tax commissioners~~ **department of local government finance** may review, revise, reduce, or increase the budget, tax rate, or tax levy of any of the political subdivisions whose tax rates compose the aggregate tax rate within a political subdivision whose budget, tax rate, or tax levy is the subject of an appeal initiated under this chapter.

(c) Except as provided in subsection (i), before the ~~state board of tax commissioners~~ **department of local government finance** reviews, revises, reduces, or increases a political subdivision's budget, tax rate, or tax levy under this section, the ~~board~~ **department** must hold a public hearing on the budget, tax rate, and tax levy. The ~~board~~ **department of local government finance** shall hold the hearing in the county in which the political subdivision is located. The ~~board~~ **department of local government finance** may consider the budgets, tax rates, and tax levies of several political subdivisions at the same public hearing. At least five (5) days before the date fixed for a public hearing, the ~~board~~ **department of local government finance** shall give notice of the time and place of the hearing and of the budgets, levies, and tax rates to be considered at the hearing. The ~~board~~ **department of local government finance** shall publish the notice in two (2) newspapers of general circulation published in the county. However, if only one (1) newspaper of general circulation is published in the county, the ~~board~~ **department of local government finance** shall publish the notice in that newspaper.

(d) Except as provided in subsection (h), IC 6-1.1-19, or IC 6-1.1-18.5, the ~~state board of tax commissioners~~ **department of local government finance** may not increase a political subdivision's budget, tax rate, or tax levy to an amount which exceeds the amount originally fixed by the political subdivision. The ~~state board of tax~~

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~~commissioners~~ **department of local government finance** shall give the political subdivision written notification specifying any revision, reduction, or increase the ~~state board of tax commissioners~~ **department** proposes in a political subdivision's tax levy or tax rate. The political subdivision has one (1) week from the date the political subdivision receives the notice to provide a written response to the ~~state board of tax commissioners'~~ **department of local government finance's** Indianapolis office specifying how to make the required reductions in the amount budgeted for each office or department. The ~~state board of tax commissioners~~ **department of local government finance** shall make reductions as specified in the political subdivision's response if the response is provided as required by this subsection and sufficiently specifies all necessary reductions. The ~~state board of tax commissioners~~ **department of local government finance** may make a revision, a reduction, or an increase in a political subdivision's budget only in the total amounts budgeted for each office or department within each of the major budget classifications prescribed by the state board of accounts.

(e) The ~~state board of tax commissioners~~ **department of local government finance** may not approve a levy for lease payments by a city, town, county, library, or school corporation if the lease payments are payable to a building corporation for use by the building corporation for debt service on bonds and if:

(1) no bonds of the building corporation are outstanding; or

(2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(f) The action of the ~~state board of tax commissioners~~ **department of local government finance** on a budget, tax rate, or tax levy is final. The ~~board~~ **department of local government finance** shall certify its action to:

(1) the county auditor; and

(2) the political subdivision if the ~~state board~~ **department** acts pursuant to an appeal initiated by the political subdivision.

(g) The ~~state board of tax commissioners~~ **department of local government finance** is expressly directed to complete the duties assigned to it under this section not later than February 15th of each year for taxes to be collected during that year.

(h) Subject to the provisions of all applicable statutes, the ~~state board of tax commissioners~~ **department of local government finance** may increase a political subdivision's tax levy to an amount that exceeds the amount originally fixed by the political subdivision if the

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increase is:

(1) requested in writing by the officers of the political subdivision;

(2) either:

(A) based on information first obtained by the political subdivision after the public hearing under section 3 of this chapter; or

(B) results from an inadvertent mathematical error made in determining the levy; and

(3) published by the political subdivision according to a notice provided by the ~~state board of tax commissioners.~~ **department.**

(i) The ~~state board of tax commissioners~~ **department of local government finance** shall annually review the budget of each school corporation not later than April 1. The ~~state board of tax commissioners~~ **department of local government finance** shall give the school corporation written notification specifying any revision, reduction, or increase the ~~state board of tax commissioners~~ **department** proposes in the school corporation's budget. A public hearing is not required in connection with this review of the budget.

SECTION 157. IC 6-1.1-17-16.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16.5. This section applies in each case in which the ~~state board of tax commissioners~~ **department of local government finance** has the power to approve or disapprove the tax levy for a cumulative building or sinking fund proposed to be established by a political subdivision. The ~~board~~ **department** may:

(1) approve the tax levy;

(2) disapprove the tax levy; or

(3) modify the tax levy by approving it at any amount less than the tax levy proposed to be established.

SECTION 158. IC 6-1.1-17-16.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16.7. (a) A political subdivision that in any year adopts a proposal to establish a cumulative fund or sinking fund under any of the following provisions must submit the proposal to the ~~state board of tax commissioners~~ **department of local government finance** before August 2 of that year:

IC 3-11-6

IC 8-10-5

IC 8-16-3

IC 8-16-3.1

IC 8-22-3

IC 14-27-6

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IC 14-33-21
IC 16-22-5
IC 16-22-8
IC 36-8-14
IC 36-9-4
IC 36-9-14
IC 36-9-14.5
IC 36-9-15
IC 36-9-15.5
IC 36-9-16
IC 36-9-17
IC 36-9-26
IC 36-9-27
IC 36-10-3
IC 36-10-4
IC 36-10-7.5

(b) If a proposal described in subsection (a) is not submitted to the ~~state board of tax commissioners~~ **department of local government finance** before August 2 of a year, the political subdivision may not levy a tax for the cumulative fund or sinking fund in the ensuing year.

SECTION 159. IC 6-1.1-17-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. Subject to the limitations contained in IC 6-1.1-19 and IC 6-1.1-18.5, the ~~state board of tax commissioners~~ **department of local government finance** may at any time increase the tax rate and tax levy of a political subdivision for the following reasons:

(1) To pay the principal or interest upon a funding, refunding, or judgment funding obligation of a political subdivision.

(2) To pay the interest or principal upon an outstanding obligation of the political subdivision.

(3) To pay a judgment rendered against the political subdivision.

(4) To pay lease rentals that have become an obligation of the political subdivision under IC 21-5-11 or IC 21-5-12.

SECTION 160. IC 6-1.1-18-3, AS AMENDED BY P.L.273-1999, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Except as provided in subsection (b), the sum of all tax rates for all political subdivisions imposed on tangible property within a political subdivision may not exceed:

(1) forty-one and sixty-seven hundredths cents ($0.4167) on each one hundred dollars ($100) of assessed valuation in territory outside the corporate limits of a city or town; or

(2) sixty-six and sixty-seven hundredths cents ($0.6667) on each

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one hundred dollars ($100) of assessed valuation in territory inside the corporate limits of a city or town.

(b) The proper officers of a political subdivision shall fix tax rates which are sufficient to provide funds for the purposes itemized in this subsection. The portion of a tax rate fixed by a political subdivision shall not be considered in computing the tax rate limits prescribed in subsection (a) if that portion is to be used for one (1) of the following purposes:

(1) To pay the principal or interest on a funding, refunding, or judgment funding obligation of the political subdivision.

(2) To pay the principal or interest on an outstanding obligation issued by the political subdivision if notice of the sale of the obligation was published before March 9, 1937.

(3) To pay the principal or interest upon:

(A) an obligation issued by the political subdivision to meet an emergency which results from a flood, fire, pestilence, war, or any other major disaster; or

(B) a note issued under IC 36-2-6-18, IC 36-3-4-22, IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county to acquire necessary equipment or facilities for municipal or county government.

(4) To pay the principal or interest upon an obligation issued in the manner provided in IC 6-1.1-20-3 (before its repeal) or IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.

(5) To pay a judgment rendered against the political subdivision.

(6) To meet the requirements of the family and children's fund for child services (as defined in IC 12-19-7-1).

(7) To meet the requirements of the county hospital care for the indigent fund.

(c) Except as otherwise provided in IC 6-1.1-19 or IC 6-1.1-18.5, a county board of tax adjustment, a county auditor, or the ~~state board of tax commissioners~~ **department of local government finance** may review the portion of a tax rate described in subsection (b) only to determine if it exceeds the portion actually needed to provide for one (1) of the purposes itemized in that subsection.

SECTION 161. IC 6-1.1-18-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) If the proper officers of a political subdivision desire to appropriate more money for a particular year than the amount prescribed in the budget for that year as finally determined under this article, they shall give notice of their proposed additional appropriation. The notice shall state the time and place at which a public hearing will be held on the proposal. The notice

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shall be given once in accordance with IC 5-3-1-2(b).

(b) If the additional appropriation by the political subdivision is made from a fund that receives:

(1) distributions from the motor vehicle highway account established under IC 8-14-1-1 or the local road and street account established under IC 8-14-2-4; or

(2) revenue from property taxes levied under IC 6-1.1;

the political subdivision must report the additional appropriation to the ~~state board of tax commissioners.~~ **department of local government finance.** If the additional appropriation is made from a fund described under this subsection, subsections (f), (g), (h), and (i) apply to the political subdivision.

(c) However, if the additional appropriation is not made from a fund described under subsection (b), subsections (f), (g), (h), and (i) do not apply to the political subdivision. Subsections (f), (g), (h), and (i) do not apply to an additional appropriation made from the cumulative bridge fund if the appropriation meets the requirements under IC 8-16-3-3(c).

(d) A political subdivision may make an additional appropriation without approval of the ~~state board of tax commissioners~~ **department of local government finance** if the additional appropriation is made from a fund that is not described under subsection (b). However, the fiscal officer of the political subdivision shall report the additional appropriation to the ~~state board of tax commissioners.~~ **department of local government finance.**

(e) After the public hearing, the proper officers of the political subdivision shall file a certified copy of their final proposal and any other relevant information to the ~~state board of tax commissioners.~~ **department of local government finance.**

(f) When the ~~state board of tax commissioners~~ **department of local government finance** receives a certified copy of a proposal for an additional appropriation under subsection (e), the ~~board~~ **department** shall determine whether sufficient funds are available or will be available for the proposal. The determination shall be made in writing and sent to the political subdivision not more than fifteen (15) days after the ~~board~~ **department of local government finance** receives the proposal.

(g) In making the determination under subsection (f), the ~~board~~ **department of local government finance** shall limit the amount of the additional appropriation to revenues available, or to be made available, which have not been previously appropriated.

(h) If the ~~state board of tax commissioners~~ **department of local**

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government finance disapproves an additional appropriation under subsection (f), the ~~state board of tax commissioners~~ **department** shall specify the reason for its disapproval on the determination sent to the political subdivision.

(i) A political subdivision may request a reconsideration of a determination of the ~~state board of tax commissioners~~ **department of local government finance** under this section by filing a written request for reconsideration. A request for reconsideration must:

(1) be filed with the ~~state board of tax commissioners~~ **department of local government finance** within fifteen (15) days of the receipt of the determination by the political subdivision; and

(2) state with reasonable specificity the reason for the request.

The ~~state board of tax commissioners~~ **department of local government finance** must act on a request for reconsideration within fifteen (15) days of receiving the request.

SECTION 162. IC 6-1.1-18-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The proper officers of a political subdivision may transfer money from one major budget classification to another within a department or office if:

(1) they determine that the transfer is necessary;

(2) the transfer does not require the expenditure of more money than the total amount set out in the budget as finally determined under this article;

(3) the transfer is made at a regular public meeting and by proper ordinance or resolution; and

(4) the transfer is certified to the county auditor.

(b) A transfer may be made under this section without notice and without the approval of the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 163. IC 6-1.1-18.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A civil taxing unit is not subject to the levy limits imposed by section 3 of this chapter for an ensuing calendar year if the civil taxing unit did not adopt an ad valorem property tax levy for the immediately preceding calendar year.

(b) If under subsection (a) a civil taxing unit is not subject to the levy limits imposed under section 3 of this chapter for a calendar year, the civil taxing unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for that calendar year to the local government **tax** control board established by section 11 of this chapter before the tax levy is advertised. The local government tax control board shall then review and make a recommendation to the ~~state board of tax commissioners~~ **department of local government**

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finance on the civil taxing unit's budget, ad valorem property tax levy, and property tax rate for that calendar year. The ~~state board of tax commissioners~~ **department of local government finance** shall make a final determination of the civil taxing unit's budget, ad valorem property tax levy, and property tax rate for that calendar year. However, a civil taxing unit may not impose a property tax levy for a year if the unit did not exist as of March 1 of the preceding year.

SECTION 164. IC 6-1.1-18.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit if the civil taxing unit is committed to levy the taxes to pay or fund either:

(1) bonded indebtedness; or

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

(b) Before a civil taxing unit may incur bonded indebtedness or enter into a lease with an original term of at least five (5) years, the civil taxing unit must request and obtain approval from the ~~state board of tax commissioners~~ **department of local government finance** to incur the bonded indebtedness or execute the lease. The ~~state board of tax commissioners~~ **department of local government finance** may seek recommendations from the local government tax control board established by section 11 of this chapter when determining whether to authorize incurring the bonded indebtedness or the execution of the lease.

(c) The ~~state board of tax commissioners~~ **department of local government finance** shall render a decision within three (3) months after the date it receives a request for approval under subsection (b). However, the ~~state board of tax commissioners~~ **department of local government finance** may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the ~~board~~ **department** sends notice of the extension to the executive officer of the civil taxing unit.

(d) A civil taxing unit does not need approval under subsection (b) to obtain temporary loans made in anticipation of and to be paid from current revenues of the civil taxing unit actually levied and in the course of collection for the fiscal year in which the loans are made.

(e) For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a calendar year does not include that part of its levy that is committed to fund or pay bond

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indebtedness or lease rentals with an original term of five (5) years in subsection (a).

SECTION 165. IC 6-1.1-18.5-9.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.8. (a) For purposes of determining the property tax levy limit imposed on a city, town, or county under section 3 of this chapter, the city, town, or county's ad valorem property tax levy for a particular calendar year does not include an amount equal to the lesser of:

(1) the amount of ad valorem property taxes that would be first due and payable to the city, town, or county during the ensuing calendar year if the taxing unit imposed the maximum permissible property tax rate per one hundred dollars ($100) of assessed valuation that the civil taxing unit may impose for the particular calendar year under the authority of IC 36-9-14.5 (in the case of a county) or IC 36-9-15.5 (in the case of a city or town); or

(2) the excess, if any, of:

(A) the property taxes imposed by the city, town, or county under the authority of:

IC 3-11-6-9;
IC 8-16-3;
IC 8-16-3.1;
IC 8-22-3-25;
IC 14-27-6-48;
IC 14-33-9-3;
IC 16-22-8-41;
IC 16-22-5-2 through IC 16-22-5-15;
IC 16-23-1-40;
IC 36-8-14;
IC 36-9-4-48;
IC 36-9-14;
IC 36-9-14.5;
IC 36-9-15;
IC 36-9-15.5;
IC 36-9-16;
IC 36-9-16.5;
IC 36-9-17;
IC 36-9-26;
IC 36-9-27-100;
IC 36-10-3-21; or
IC 36-10-4-36;

that are first due and payable during the ensuing calendar year; over

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(B) the property taxes imposed by the city, town, or county under the authority of the citations listed in clause (A) that were first due and payable during calendar year 1984.

(b) The maximum property tax rate levied under the statutes listed in subsection (a) must be adjusted each time a general reassessment of property takes effect.

(c) The new maximum rate under a statute listed in subsection (a) is the tax rate determined under STEP SEVEN of the following formula:

STEP ONE: Determine the maximum rate for the political subdivision levying a property tax under the statute for the year preceding the year in which the general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the year preceding the year the general reassessment takes effect to the year that the general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(d) The ~~state board of tax commissioners~~ **department of local government finance** shall compute the maximum rate allowed under subsection (c) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (a).

SECTION 166. IC 6-1.1-18.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) A local government tax control board is established. The board consists of nine (9) members, seven (7) of whom are voting members and two (2) of

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whom are nonvoting members.

(b) The seven (7) voting members shall be appointed as follows:

(1) One (1) member appointed by the state board of accounts.

(2) One (1) member appointed by the ~~state board of tax commissioners.~~ **department of local government finance.**

(3) Five (5) members appointed by the governor. Three (3) of the members appointed by the governor must be citizens of Indiana who do not hold a political or elective office in state or local government. The governor may seek the recommendation of representatives of the cities, towns, and counties before appointing the other two (2) members to the board.

(c) The two (2) nonvoting members of the board shall be appointed as follows:

(1) One (1) member of the house of representatives, appointed by the speaker of the house.

(2) One (1) member of the senate, appointed by the president pro tempore of the senate.

(d) All members of the local government tax control board shall serve at the will of the board or person that appointed them.

(e) The local government tax control board shall annually hold an organizational meeting. At this organizational meeting the board shall elect a chairman and a secretary from its membership. The board shall meet after each organizational meeting as often as its business requires.

(f) The ~~state board of tax commissioners~~ **department of local government finance** shall provide the local government tax control board with rooms, staff, and secretarial assistance for its meetings.

(g) Members of the local government tax control board shall serve without compensation, except as provided in subsections (h) and (i).

(h) Each member of the local government tax control board who is not a state employee is entitled to receive both of the following:

(1) The minimum salary per diem provided by IC 4-10-11-2.1(b).

(2) Reimbursement for travel expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(i) Each member of the local government tax control board who is a state employee is entitled to reimbursement for travel expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

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SECTION 167. IC 6-1.1-18.5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Any civil taxing unit that determines that it cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter may, before October 2 of the calendar year immediately preceding the ensuing calendar year, appeal to the ~~state board of tax commissioners~~ **department of local government finance** for relief from those levy limitations. In the appeal the civil taxing unit must state that it will be unable to carry out the governmental functions committed to it by law unless it is given the authority that it is petitioning for. The civil taxing unit must support these allegations by reasonably detailed statements of fact.

(b) The ~~state tax board of commissioners~~ **department of local government finance** shall promptly deliver to the local government tax control board every appeal petition it receives under subsection (a) and any materials it receives relevant to those appeals. Upon receipt of an appeal petition, the local government tax control board shall immediately proceed to the examination and consideration of the merits of the civil taxing unit's appeal.

(c) In considering an appeal, the local government tax control board has the power to conduct hearings, require any officer or member of the appealing civil taxing unit to appear before it, or require any officer or member of the appealing civil taxing unit to provide the board with any relevant records or books.

(d) If an officer or member:

(1) fails to appear at a hearing of the local government tax control board after having been given written notice from the local government tax control board requiring his attendance; or

(2) fails to produce for the local government tax control board's use the books and records that the local government tax control board by written notice required the officer or member to produce;

then the local government tax control board may file an affidavit in the circuit court in the jurisdiction in which the officer or member may be found setting forth the facts of the failure.

(e) Upon the filing of an affidavit under subsection (d), the circuit court shall promptly issue a summons, and the sheriff of the county within which the circuit court is sitting shall serve the summons. The summons must command the officer or member to appear before the local government tax control board, to provide information to the local government tax control board, or to produce books and records for the local government tax control board's use, as the case may be.

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Disobedience of the summons constitutes, and is punishable as, a contempt of the circuit court that issued the summons.

(f) All expenses incident to the filing of an affidavit under subsection (d) and the issuance and service of a summons shall be charged to the officer or member against whom the summons is issued, unless the circuit court finds that the officer or member was acting in good faith and with reasonable cause. If the circuit court finds that the officer or member was acting in good faith and with reasonable cause or if an affidavit is filed and no summons is issued, the expenses shall be charged against the county in which the affidavit was filed and shall be allowed by the proper fiscal officers of that county.

SECTION 168. IC 6-1.1-18.5-13.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.5. With respect to an appeal filed under section 12 of this chapter, the local government tax control board may recommend that the ~~state board of tax commissioners~~ **department of local government finance** give permission to a town having a population of more than ~~four hundred eighteen (418) but less than six hundred (600) that is located in a county having a population of more than sixty-eight thousand (68,000) but less than seventy-three thousand (73,000)~~ **three hundred seventy-five (375) but less than five hundred (500) located in a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400)** 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 town needs the increase to pay the costs of furnishing fire protection for the town. However, any increase in the amount of the town's levy recommended by the local government tax control board under this section for the ensuing calendar year may not exceed the greater of:

(1) twenty-five thousand dollars ($25,000); or

(2) twenty percent (20%) of the sum of:

(A) the amount authorized for the cost of furnishing fire protection in the town's budget for the immediately preceding calendar year; plus

(B) the amount of any additional appropriations authorized under IC 6-1.1-18-5 during that calendar year for the town's use in paying the costs of furnishing fire protection.

SECTION 169. IC 6-1.1-18.5-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) The local government tax control board may recommend to the ~~state board of tax commissioners~~ **department of local government finance** a correction

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of any advertising error, mathematical error, or error in data made at the local level for any calendar year that affects the determination of the limitations established by section 3 of this chapter or the tax rate or levy of a civil taxing unit. The ~~state board of tax commissioners~~ **department of local government finance** may on its own initiative correct such an advertising error, mathematical error, or error in data for any civil taxing unit.

(b) A correction made under subsection (a) for a prior calendar year shall be applied to the civil taxing unit's levy limitations, rate, and levy for the ensuing calendar year to offset any cumulative effect that the error caused in the determination of the civil taxing unit's levy limitations, rate, or levy for the ensuing calendar year.

SECTION 170. IC 6-1.1-18.5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. The ~~state board of tax commissioners,~~ **department of local government finance,** upon receiving a recommendation made under section 13 or 14 of this chapter, shall enter an order adopting, rejecting, or adopting in part and rejecting in part the recommendation of the local government tax control board. The decision of the ~~state board of tax commissioners~~ **department of local government finance** is final.

SECTION 171. IC 6-1.1-18.5-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) A civil taxing unit may request permission from the local government tax control board to impose an ad valorem property tax levy that exceeds the limits imposed by section 3 of this chapter if:

(1) the civil taxing unit experienced a property tax revenue shortfall that resulted from erroneous assessed valuation figures being provided to the civil taxing unit;

(2) the erroneous assessed valuation figures were used by the civil taxing unit in determining its total property tax rate; and

(3) the error in the assessed valuation figures was found after the civil taxing unit's property tax levy resulting from that total rate was finally approved by the ~~state board of tax commissioners.~~ **department of local government finance.**

(b) If the local government tax control board determines that such a shortfall has occurred, it shall recommend to the ~~state board of tax commissioners~~ **department of local government finance** that the civil taxing unit be allowed to impose a property tax levy exceeding the limit imposed by section 3 of this chapter, and the ~~state board of tax commissioners~~ **department** shall adopt such recommendation. However, the maximum amount by which the civil taxing unit's levy may be increased over the limits imposed by section 3 of this chapter

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equals the remainder of the civil taxing unit's property tax levy for the particular calendar year as finally approved by the ~~state board of tax commissioners~~ **department of local government finance** minus the actual property tax levy collected by the civil taxing unit for that particular calendar year.

(c) Any property taxes collected by a civil taxing unit over the limits imposed by section 3 of this chapter under the authority of this section may not be treated as a part of the civil taxing unit's maximum permissible ad valorem property tax levy for purposes of determining its maximum permissible ad valorem property tax levy for future years.

(d) If the ~~state board of tax commissioners~~ **department of local government finance** authorizes an excess tax levy under this section, it shall take appropriate steps to insure that the proceeds are first used to repay any loan made to the civil taxing unit for the purpose of meeting its current expenses.

SECTION 172. IC 6-1.1-18.5-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) As used in this section, "levy excess" means the part of the ad valorem property tax levy actually collected by a civil taxing unit, for taxes first due and payable during a particular calendar year, that exceeds the civil taxing unit's ad valorem property tax levy, as approved by the ~~state board of tax commissioners~~ **department of local government finance** under IC 6-1.1-17.

(b) A civil taxing unit's levy excess is valid and may not be contested on the grounds that it exceeds the civil taxing unit's levy limit for the applicable calendar year. However, the civil taxing unit shall deposit, except as provided in subsection (h), the part of its levy that exceeds one hundred two percent (102%) of the civil taxing unit's ad valorem property tax levy for the applicable calendar year, as approved by the ~~state board of tax commissioners~~ **department of local government finance** under IC 6-1.1-17, in a special fund to be known as the civil taxing unit's levy excess fund.

(c) The chief fiscal officer of a civil taxing unit may invest money in the civil taxing unit's levy excess fund in the same manner in which money in the civil taxing unit's general fund may be invested. However, any income derived from investment of the money shall be deposited in and becomes a part of the levy excess fund.

(d) The ~~state board of tax commissioners~~ **department of local government finance** may require a civil taxing unit to include the amount in its levy excess fund in the civil taxing unit's budget fixed under IC 6-1.1-17.

(e) Except as provided by subsection (f), a civil taxing unit may not

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spend any money in its levy excess fund until the expenditure of the money has been included in a budget that has been approved by the ~~state board of tax commissioners~~ **department of local government finance** under IC 6-1.1-17. For purposes of fixing its budget and for purposes of the property tax levy limits imposed under this chapter, a civil taxing unit shall treat the money in its levy excess fund that the ~~state board of tax commissioners~~ **department of local government finance** permits it to spend during a particular calendar year as part of its ad valorem property tax levy for that same calendar year.

(f) A civil taxing unit may transfer money from its levy excess fund to its other funds to reimburse those funds for amounts withheld from the civil taxing unit as a result of refunds paid under IC 6-1.1-26.

(g) Subject to the limitations imposed by this section, a civil taxing unit may use money in its levy excess fund for any lawful purpose for which money in any of its other funds may be used.

(h) If the amount that would, notwithstanding this subsection, be deposited in the levy excess fund of a civil taxing unit for a particular calendar year is less than one hundred dollars ($100), no money shall be deposited in the levy excess fund of the unit for that year.

SECTION 173. IC 6-1.1-19-1.5, AS AMENDED BY P.L.291-2001, SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.5. (a) The following definitions apply throughout this section and IC 21-3-1.7:

(1) "Adjustment factor" means the adjustment factor determined by the ~~state board of tax commissioners~~ **department of local government finance** for a school corporation under IC 6-1.1-34.

(2) "Adjusted target property tax rate" means:

(A) the school corporation's target general fund property tax rate determined under IC 21-3-1.7-6.8; multiplied by

(B) the school corporation's adjustment factor.

(3) "Previous year property tax rate" means the school corporation's previous year general fund property tax rate after the reductions cited in IC 21-3-1.7-5(1), IC 21-3-1.7-5(2), and IC 21-3-1.7-5(3).

(b) Except as otherwise provided in this chapter, a school corporation may not, for an ensuing calendar year, impose a general fund ad valorem property tax levy which exceeds the following:

STEP ONE: Determine the result of:

(A) the school corporation's adjusted target property tax rate; minus

(B) the school corporation's previous year property tax rate.

STEP TWO: Determine the result of:

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(A) the school corporation's target general fund property tax rate determined under IC 21-3-1.7-6.8; multiplied by
(B) the quotient resulting from:
(i) the absolute value of the result of the school corporation's adjustment factor minus one (1); divided by
(ii) two (2).

STEP THREE: If the school corporation's adjusted target property tax rate:
(A) exceeds the school corporation's previous year property tax rate, perform the calculation under STEP FOUR and not under STEP FIVE;
(B) is less than the school corporation's previous year property tax rate, perform the calculation under STEP FIVE and not under STEP FOUR; or
(C) equals the school corporation's previous year property tax rate, determine the levy resulting from using the school corporation's adjusted target property tax rate and do not perform the calculation under STEP FOUR or STEP FIVE.

The school corporation's 2002 assessed valuation shall be used for purposes of determining the levy under clause (C) in 2002 and in 2003.

STEP FOUR: Determine the levy resulting from using the school corporation's previous year property tax rate after increasing the rate by the lesser of:
(A) the STEP ONE result; or
(B) the sum of:
(i) five cents ($0.05); plus
(ii) if the school corporation's adjustment factor is more than one (1), the STEP TWO result.

The school corporation's 2002 assessed valuation shall be used for purposes of determining the levy under this STEP in 2002 and in 2003.

STEP FIVE: Determine the levy resulting from using the school corporation's previous year property tax rate after reducing the rate by the lesser of:
(A) the absolute value of the STEP ONE result; or
(B) the sum of:
(i) nine cents ($0.09); plus
(ii) if the school corporation's adjustment factor is less than one (1), the STEP TWO result.

The school corporation's 2002 assessed valuation shall be used for purposes of determining the levy under this STEP in 2002 and in

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2003.

STEP SIX: Determine the result of:

(A) the STEP THREE (C), STEP FOUR, or STEP FIVE result, whichever applies; plus

(B) an amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

The maximum levy is to include the portion of any excessive levy and the levy for new facilities.

(c) For purposes of this section, "total assessed value", as adjusted under subsection (d), with respect to a school corporation means the total assessed value of all taxable property for ad valorem property taxes first due and payable during that year.

(d) The ~~state board of tax commissioners~~ **department of local government finance** may adjust the total assessed value of a school corporation to eliminate the effects of appeals and settlements arising from a statewide general reassessment of real property.

(e) The ~~state board~~ **department of local government finance** shall annually establish an assessment ratio and adjustment factor for each school corporation to be used upon the review and recommendation of the budget committee. The information compiled, including background documentation, may not be used in a:

(1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13, IC 6-1.1-14, or IC 6-1.1-15;

(2) petition for a correction of error under IC 6-1.1-15-12; or

(3) petition for refund under IC 6-1.1-26.

(f) All tax rates shall be computed by rounding the rate to the nearest one-hundredth of a cent ($0.0001). All tax levies shall be computed by rounding the levy to the nearest dollar amount.

SECTION 174. IC 6-1.1-19-1.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.7. (a) As used in this section, "levy excess" means that portion of the ad valorem property tax levy actually collected by a school corporation, for taxes first due and payable during a particular calendar year, which exceeds the school corporation's total levy, as approved by the ~~state board of tax commissioners~~ **department of local government finance** under IC 6-1.1-17, for those property taxes.

(b) A school corporation's levy excess is valid, and the general fund portion of a school corporation's levy excess may not be contested on the grounds that it exceeds the school corporation's general fund levy limit for the applicable calendar year. However, the school corporation

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shall deposit, except as provided in subsection (h), that portion of a school corporation's levy excess which exceeds one hundred two percent (102%) of the school corporation's total levy, as approved by the ~~state board of tax commissioners~~ **department of local government finance** under IC 6-1.1-17, for the applicable calendar year, in a special fund to be known as the school corporation's levy excess fund.

(c) The chief fiscal officer of a school corporation may invest money in the school corporation's levy excess fund in the same manner in which money in the school corporation's general fund may be invested. However, any income derived from investment of the money shall be deposited in and become a part of the levy excess fund.

(d) The ~~state board of tax commissioners~~ **department of local government finance** may require a school corporation to include the amount in the school corporation's levy excess fund in the school corporation's budget fixed under IC 6-1.1-17.

(e) Except as provided in subsection (f), a school corporation may not spend any money in its levy excess fund until the expenditure of the money has been included in a budget that has been approved by the ~~state board of tax commissioners~~ **department of local government finance** under IC 6-1.1-17. For purposes of fixing its budget and for purposes of the property tax levy limits fixed under this chapter, a school corporation shall treat the money in its levy excess fund that the ~~state board of tax commissioners~~ **department of local government finance** permits the school corporation to spend during a particular calendar year as part of the school corporation's ad valorem property tax levy for that same calendar year.

(f) A school corporation may transfer money from its levy excess fund to its other funds to reimburse those funds for amounts withheld from the school corporation as a result of refunds paid under IC 6-1.1-26.

(g) Subject to the limitations imposed by this section, a school corporation may use money in its levy excess fund for any lawful purpose for which money in any of its other funds may be used.

(h) If the amount that would be deposited in the levy excess fund of a school corporation for a particular calendar year is less than one hundred dollars ($100), no money shall be deposited in the levy excess fund of the school corporation for that year.

SECTION 175. IC 6-1.1-19-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A county board of tax adjustment may not approve or recommend the approval of an excessive tax levy.

(b) If a school corporation adopts or advertises an excessive tax

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levy, the county board of tax adjustment which reviews the school corporation's budget, tax levy, and tax rate shall reduce the excessive tax levy to the maximum normal tax levy.

(c) If a county board of tax adjustment approves, or recommends the approval of, an excessive tax levy for a school corporation, the auditor of the county for which the county board is acting shall reduce the excessive tax levy to the maximum normal tax levy. Such a reduction shall be set out in the notice required to be published by the auditor under IC 6-1.1-17-12, and an appeal shall be permitted therefrom as provided under IC 6-1.1-17 as modified by this chapter.

(d) Appeals from any action of a county board of tax adjustment or county auditor in respect of a school corporation's budget, tax levy, or tax rate may be taken as provided for by IC 6-1.1-17. Notwithstanding IC 6-1.1-17, a school corporation may appeal to the ~~state board of tax commissioners~~ **department of local government finance** for emergency financial relief for the ensuing calendar year at any time after the budget, tax rate, and tax levy of the school corporation are fixed under IC 6-1.1-17-5, but not later than twenty (20) days after the county auditor publishes notice under IC 6-1.1-17-12 of the tax rate to be charged in the school corporation for the ensuing calendar year.

(e) In the appeal petition in which a school corporation seeks emergency financial relief, the appellant school corporation shall allege that, unless it is given the emergency financial relief for which it petitions, it will be unable to carry out, in the ensuing calendar year, the public educational duty committed to it by law, and it shall support that allegation by reasonably detailed statements of fact.

(f) When an appeal petition in which a school corporation petitions for emergency financial relief is filed with the ~~state board of tax commissioners,~~ **department of local government finance,** the ~~board~~ **department** shall include, in the notice of the hearing in respect of the petition that it is required to give under IC 6-1.1-17-16, a statement to the effect that the appellant school corporation is seeking emergency financial relief for the ensuing calendar year. A subsequent action taken by the ~~state board of tax commissioners~~ **department of local government finance** in respect of such an appeal petition is not invalid, however, or otherwise affected, if the ~~board~~ **department** fails to include such a statement in the hearing notice.

SECTION 176. IC 6-1.1-19-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. When an appeal is taken to the ~~state board of tax commissioners~~ **department of local government finance** under IC ~~1971,~~ 6-1.1-17 or under this chapter by, or in respect of, any school corporation, the ~~board~~ **department** may

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exercise those powers to revise, change, or increase the budget, tax levy, or tax rate of the appellant school corporation that are defined in IC ~~1971,~~ 6-1.1-17 subject ~~however,~~ to the provisions of this chapter. The ~~state board of tax commissioners~~ **department of local government finance** may not exercise any of those powers until it receives, in respect to the appellant school corporation's budget, tax levy, or tax rate, the recommendation of the tax control board.

SECTION 177. IC 6-1.1-19-4.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.1. (a) To assist the ~~state board of tax commissioners~~ **department of local government finance** in deciding the merits of any appeal filed under IC 6-1.1-17 or under this chapter with the ~~state board of tax commissioners~~ **department** by, or in respect of, any school corporation, there is established the school property tax control board. This board shall consist of five (5) voting members and two (2) ex officio nonvoting members. In addition, the school property tax control board may include not more than four (4) additional voting members who shall be appointed as follows:

(1) One (1) member is to be appointed by the president pro tempore of the senate and must be a business official of a school corporation who is not employed by a school corporation that is undergoing a construction project.

(2) One (1) member is to be appointed by the president pro tempore of the senate and must be an engineer knowledgeable in the construction of school buildings but who is not actively employed by an engineering firm that is involved in a school building construction project or who is not otherwise a party to a contract for engineering services for a school building construction project.

(3) One (1) member is to be appointed by the speaker of the house of representatives and must be an architect knowledgeable in the design of school buildings but who is not actively employed by an architectural firm that is involved in a school building construction project or who is not otherwise a party to a contract for architectural services for a school building construction project.

(4) One (1) member is to be appointed by the speaker of the house of representatives and must be a financial adviser who is not actively employed as a financial adviser to a school corporation that is involved in a school building construction project or who is not otherwise a party to a contract for financial advisory services for a school building construction project.

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Of the mandatory five (5) voting members, one (1) shall be appointed by the state board of accounts, one (1) shall be appointed by the ~~state board of tax commissioners,~~ **department of local government finance,** and three (3) shall be appointed by the governor. The governor may seek the recommendation of the state superintendent of public instruction with regard to one (1) of the governor's appointments. Each of the remaining two (2) governor's appointees must be a citizen of Indiana who neither holds an elective or appointive office in the government of the state nor is regularly employed by the state. Each of the mandatory five (5) voting members and any additional voting members who may be appointed serves at the will of the appointing board or person. The speaker of the house of representatives shall appoint one (1) member of the house as one (1) of the ex officio nonvoting members of the tax control board. The president pro tempore of the senate shall appoint one (1) senator as the other ex officio nonvoting member of the tax control board. Each of the ex officio nonvoting members of the tax control board shall serve at the will of the appointing officer. A vacancy in the membership of the tax control board shall be filled by the appointing authority who made the appointment to the seat that is vacated. No member of the tax control board shall receive compensation for services as such a member, except as provided in subsections (g) and (h). Each of the members of the tax control board shall, before proceeding to the discharge of the member's duties as a member of the tax control board, subscribe and swear to a writing declaring the member's intention to support the Constitution of the United States and the Constitution of the State of Indiana and the member's intention to faithfully, honestly, and impartially discharge the member's duties as a member of the tax control board.

(b) The tax control board shall meet, as business may require, in rooms provided by the ~~state board of tax commissioners.~~ **department of local government finance.** The ~~state board of tax commissioners~~ **department of local government finance** shall provide the tax control board with such staff and secretarial assistance as the tax control board may reasonably require. At each organizational meeting of the tax control board, which shall be held annually, the tax control board shall elect one (1) of its members chairman and another secretary.

(c) The ~~state board of tax commissioners~~ **department of local government finance** shall promptly deliver to the tax control board every appeal petition that is filed under IC 6-1.1-17 or under this chapter with the ~~state board of tax commissioners~~ **department** by, or in respect of, any school corporation. The ~~state board of tax~~

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~~commissioners~~ **department of local government finance** shall also promptly deliver to the tax control board other materials related to the appeal petition as the ~~state board of tax commissioners~~ **department** shall then or thereafter possess. Upon receiving an appeal petition, the tax control board shall proceed immediately to examine the petition and to consider the merits of the school corporation's appeal.

(d) The tax control board may conduct hearings on any appeal petition that is before the tax control board, and the tax control board may require any officer or member of the school corporation whose appeal petition is under consideration by the tax control board to appear before the tax control board or to produce, before the tax control board, any books and records that the tax control board considers pertinent to the appeal, or both.

(e) If an officer or a member fails or refuses to appear at a hearing of the tax control board after having been given a written notice from the tax control board requiring the officer's or member's attendance, or fails or refuses to produce for the tax control board's use the books and records that the tax control board has, by written notice, required the officer or member to produce, the tax control board may file an affidavit in the circuit court in which jurisdiction of the person of the officer or member may be had, setting forth the facts of the failure or refusal. Upon the filing of the affidavit, the circuit court shall promptly issue a summons, and the sheriff of the county within which the circuit court is sitting shall serve the summons. The summons shall command the officer or member to appear before the tax control board, to provide information to the tax control board, or to produce books and records for the tax control board's use, as the case may be. Disobedience of the summons is punishable as a contempt of the circuit court that issued the summons.

(f) All expenses incident to the filing of the affidavit and the issuance and service of the summons under this section shall be charged to the officer or member against whom the summons is issued, unless the circuit court finds that the action of the officer or member was taken in good faith and with reasonable cause. If the court finds that the officer or member acted in good faith and with reasonable cause or if an affidavit has been filed without the issuance of a summons, the expenses shall:

(1) be charged against the county in which the affidavit has been filed; and

(2) be allowed by the proper fiscal officers of that county.

(g) Each member of the tax control board who is not a state employee is entitled to receive both of the following:

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(1) The minimum salary per diem provided by IC 4-10-11-2.1(b).

(2) Reimbursement for travel expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(h) Each member of the tax control board who is a state employee is entitled to reimbursement for travel expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

SECTION 178. IC 6-1.1-19-4.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.2. The ~~state board of tax commissioners~~ **department of local government finance** in determining whether to approve or disapprove a school building construction project and the tax control board in determining whether to recommend approval or disapproval of a school building construction project shall consider the following factors:

(1) The current and proposed square footage of school building space per student.

(2) Enrollment patterns within the school corporation.

(3) The age and condition of the current school facilities.

(4) The cost per square foot of the school building construction project.

(5) The effect that completion of the school building construction project would have on the school corporation's tax rate.

(6) Any other pertinent matter.

SECTION 179. IC 6-1.1-19-4.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.4. (a) With respect to every appeal petition that is delivered to the tax control board by the ~~state board of tax commissioners~~ **department of local government finance** under section 4.1 of this chapter and that does not include a request for emergency financial relief, the tax control board shall, after the tax control board makes the study of the appeal petition and related materials that the tax control board considers necessary, recommend to the ~~state board of tax commissioners,~~ **department,** in respect of the particular appeal petition that:

(1) the order of the county board of tax adjustment or the county auditor in respect of the appellant school corporation's budget, tax levy, or tax rate for the ensuing calendar year be approved;

(2) the order of the county board of tax adjustment or the county auditor in respect of the appellant school corporation's budget, tax

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levy, or tax rate be disapproved and that the appellant school corporation's budget, tax levy, or tax rate be reduced as specified in the tax control board's recommendation;

(3) the order of the county board of tax adjustment or the county auditor in respect of the appellant school corporation's budget, tax levy, or tax rate be disapproved and that the appellant school corporation's budget, tax levy, or tax rate be increased as specified in the tax control board's recommendation; or

(4) combined with a recommendation allowed under subdivision (1), (2), or (3), the adjusted base tax levy for the school corporation be increased if the school corporation can show a need for the increased adjusted base levy due to:

(A) the opening after December 31, 1972, of a new school facility; or

(B) the opening after July 1, 1988, of an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space.

The adjusted base levy increase, if approved by the tax control board, shall be an amount equal to the increase in costs resulting to the school corporation from the opening and operation of the new school facility or the reopening and operation of an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space. In determining those increased costs, the tax control board shall consider the costs to the school corporation of complying with safety, health, space, heat, or lighting standards required by state or federal law or regulation, and the other physical operation costs that in the opinion of the tax control board justify an adjustment in the school corporation's adjusted base levy.

(b) With respect to an appeal petition described in this section, the tax control board may not make a recommendation that, if followed by the ~~state board of tax commissioners,~~ **department of local government finance,** would authorize the appellant school corporation for the ensuing calendar year:

(1) to collect a general fund tax levy in excess of the general fund tax levy initially adopted and advertised by the appellant school corporation;

(2) to impose a general fund tax rate in excess of the general fund tax rate initially adopted and advertised by the appellant school corporation; or

(3) to collect an excessive tax levy.

SECTION 180. IC 6-1.1-19-4.5 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.5. (a) With respect to every appeal petition that is delivered to the tax control board by the ~~state board of tax commissioners~~ **department of local government finance** under section 4.1 of this chapter and that includes a request for emergency financial relief (except an appeal petition described in section 4.7 of this chapter), the tax control board shall, after having made the study of the appeal petition and related materials that the tax control board considers necessary, make an appropriate recommendation to the ~~state board of tax commissioners.~~ **department.** If the appeal petition requests an excessive tax levy under subsection (c), the tax control board shall expedite the board's review as necessary to permit the referendum to be conducted without a special election. In respect of the appeal petition, the tax control board may make to the ~~state board of tax commissioners~~ **department of local government finance** any of the recommendations described in section 4.4(a) of this chapter, subject to the limitations described in section 4.4(b) of this chapter.

(b) In addition, if the tax control board concludes that the appellant school corporation cannot, in the ensuing calendar year, carry out the public educational duty committed to the appellant school corporation by law if, for the ensuing calendar year, the appellant school corporation does not receive emergency financial relief, the tax control board may recommend to the ~~state board of tax commissioners~~ **department of local government finance** that the order of the county board of tax adjustment or the county auditor in respect of the budget, tax levy, or tax rate of the appellant school corporation be approved, or disapproved and modified, as specified in the tax control board's recommendation and that the appellant school corporation receive emergency financial relief from the state, on terms to be specified by the tax control board in the board's recommendation, in the form of:

(1) a grant or grants from any funds of the state that are available for such a purpose;

(2) a loan or loans from any funds of the state that are available for such a purpose;

(3) permission to the appellant school corporation to borrow funds from a source other than the state or assistance in obtaining the loan;

(4) an advance or advances of funds that will become payable to the appellant school corporation under any law providing for the payment of state funds to school corporations;

(5) permission to the appellant school corporation to:

(A) cancel any unpaid obligation of the appellant school

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corporation's general fund to the appellant school corporation's cumulative building fund; or

(B) use, for general fund purposes, any unobligated balance in the appellant school corporation's cumulative building fund and the proceeds of any levy made or to be made by the appellant school corporation for the appellant school corporation's cumulative building fund;

(6) permission to use, for general fund purposes, any unobligated balance in any construction fund, including any unobligated proceeds of a sale of the school corporation's general obligation bonds; or

(7) a combination of the emergency financial relief described in subdivisions (1) through (6).

(c) In addition to, or in lieu of, any recommendation that the tax control board may make under this section, the tax control board may recommend that the appellant school corporation be permitted to make an excessive tax levy for the ensuing calendar year. The recommendation may not be put into effect until a majority of the individuals who vote in a referendum that is conducted in accordance with the following requirements approves the appellant school corporation's making an excessive tax levy for the ensuing calendar year:

(1) Whenever:

(A) the tax control board recommends to the ~~state board of tax commissioners~~ **department of local government finance** that the appellant school corporation be permitted to make an excessive tax levy for the ensuing calendar year if a majority of the individuals voting in a referendum held in the appellant school corporation approves the appellant school corporation's making an excessive tax levy;

(B) the ~~state board of tax commissioners~~ **department of local government finance** gives the board's written approval of the recommendation; and

(C) the appellant school corporation requests that the tax control board take the steps necessary to cause a referendum to be conducted;

the tax control board shall proceed in accordance with this subsection.

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

"For the calendar year immediately following the holding of the referendum, shall the school corporation impose a property

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tax rate that does not exceed _____ (insert amount) cents ($0.__) (insert amount) on each one hundred dollars ($100) of assessed valuation and that is in addition to the school corporation's normal tax rate?".

(3) The tax control board 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 each county in which any part of the appellant school corporation lies. Each county clerk shall, upon receiving the question certified by the tax control board, call a meeting of the county election board to make arrangements for the referendum. The referendum shall be held in the next primary or general election in which the residents of the appellant school corporation 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 tax control board, 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 or clerks by the tax control board. The appellant school corporation shall advise each affected county election board of the date on which the appellant school corporation desires that the referendum be held, and, if practicable, the referendum shall be held on the day specified by the appellant school corporation. The referendum shall be held under the direction of the 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 and IC 20-5-12. If the referendum is not conducted at a primary or general election, the appellant school corporation in which the referendum is to be held shall pay all of the costs of holding the referendum.

(4) Each county election board shall cause the question certified to the circuit court clerk by the tax control board 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.

(5) The individuals entitled to vote in the referendum are all of the registered voters resident in the appellant school corporation.

(6) Each precinct election board shall count the affirmative votes and the negative votes cast in the referendum and shall certify

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those two (2) totals to the county election board of each county in which the referendum is held. The circuit court clerk of each county shall, immediately after the votes cast in the referendum have been counted, certify the results of the referendum to the tax control board. Upon receiving the certification of all of the votes cast in the referendum, the tax control board shall promptly certify the result of the referendum to the ~~state board of tax commissioners.~~ **department of local government finance.** If a majority of the individuals who voted in the referendum voted "yes" on the referendum question, the ~~state board of tax commissioners,~~ **department of local government finance,** 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 appellant school corporation that the appellant school corporation is authorized to collect, for the calendar year that next follows the calendar year in which the referendum is held, an excessive tax levy not greater than the amount approved in the referendum. The excessive tax levy shall become the adjusted base levy for that calendar year following the referendum for the school corporation in which the referendum is held, unless the question upon which the voters voted at the referendum has been framed to preclude the excessive tax levy from becoming the adjusted base levy of the school corporation. If a majority of the persons who voted in the referendum did not vote "yes" on the referendum question, the appellant school corporation may not make any tax levy for its general fund other than a normal tax levy.

(d) With respect to any school corporation to which a loan or advance of state funds is made under this section, or for which such a loan or an advance is recommended, for purposes other than the purpose specified in section 4.7 of this chapter, the tax control board may recommend to the ~~state board of tax commissioners~~ **department of local government finance** that the school corporation be authorized, for a specified calendar year, and solely for the purpose of enabling the school corporation to repay the loan or advance, to collect an excessive tax levy. A recommendation under this subsection must specify the amount of the recommended excessive tax levy. Upon receiving the recommendation from the tax control board, and without any other proceeding, the ~~state board of tax commissioners~~ **department of local government finance** may authorize the school corporation, for a specified calendar year, to make an excessive tax levy in accordance with the recommendation of the tax control board or in accordance with

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a modification of the recommendation that the ~~state board of tax commissioners~~ **department** determines is proper. Whenever the ~~state board of tax commissioners~~ **department of local government finance** exercises the power given to the ~~state board of tax commissioners~~ **department** under this subsection, the ~~state board~~ **department** shall, in the ~~state board's~~ **department's** order to the affected school corporation, specify the amount of the authorized excessive tax levy and take appropriate steps to ensure that so much of the proceeds of the excessive tax levy as should be used for loan repayment purposes is not used for any other purpose. The ~~state board of tax commissioners~~ **department of local government finance** may not exercise the power described in this subsection to authorize any school corporation to collect an excessive tax levy for more than one (1) calendar year in any period of four (4) consecutive calendar years.

SECTION 181. IC 6-1.1-19-4.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.6. The ~~state board of tax commissioners~~ **department of local government finance** in determining whether to approve or disapprove a school building construction project and the tax control board in determining whether to recommend approval or disapproval of a school building construction project may not approve or recommend the approval of a project that is financed through the issuance of bonds if the bonds mature more than twenty-five (25) years after the date of the bonds' issuance.

SECTION 182. IC 6-1.1-19-4.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.7. (a) With respect to every appeal petition that:

(1) is delivered to the tax control board by the ~~state board of tax commissioners~~ **department of local government finance** under section 4.1 of this chapter; and

(2) includes a request for emergency relief for the purpose of making up a shortfall that has resulted:

(A) whenever:

(i) erroneous assessed valuation figures were provided to the school corporation;

(ii) erroneous figures were used to determine the school corporation's total property tax rate; and

(iii) the school corporation's general fund tax levy was reduced under IC 6-1.1-17-16(d); or

(B) whenever the assessed valuation figures that were provided to and used by the school corporation to determine the property tax rate did not accurately reflect appeals filed by

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property owners;

the tax control board shall recommend to the ~~state board of tax commissioners~~ **department of local government finance** that the school corporation receive emergency financial relief. The relief shall be in the form specified in section 4.5(b)(1) through 4.5(b)(7) of this chapter, or in a combination of the forms of relief specified in section 4.5(b)(1) through 4.5(b)(7) of this chapter.

(b) The tax control board shall, if the tax control board determines that a shortfall exists as described in subsection (a), recommend that a school corporation that appeals for the purpose stated in subsection (a) be permitted to collect an excessive tax levy for a specified calendar year in the amount of the difference between:

(1) the school corporation's property tax levy for a particular year as finally approved by the ~~state board of tax commissioners;~~ **department of local government finance;** and

(2) the school corporation's actual property tax levy for the particular year.

(c) With respect to each appeal petition that:

(1) is delivered to the tax control board by the ~~state board of tax commissioners~~ **department of local government finance** under section 4.1 of this chapter;

(2) includes a request for emergency relief for the purpose of making up a shortfall that has resulted because of a delinquent property taxpayer; and

(3) the tax control board finds that the balance in the school corporation's levy excess fund plus the property taxes collected for the school corporation is less than ninety-eight percent (98%) of the school corporation's property tax levy for that year, as finally approved by the ~~state board of tax commissioners;~~ **department of local government finance;**

the tax control board may recommend to the ~~state board of tax commissioners~~ **department of local government finance** that the school corporation receive emergency financial relief in the form specified in section 4.5(b)(1) through 4.5(b)(7) of this chapter and be permitted to collect an excessive tax levy for a specified calendar year in the amount of the difference between the school corporation's property tax levy for a particular year, as finally approved by the ~~state board of tax commissioners,~~ **department,** and the school corporation's actual property tax collections plus any balance in the school corporation's levy excess fund.

(d) Every recommendation made by the tax control board under this section shall specify the amount of the excessive tax levy. The ~~state~~

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~~board of tax commissioners~~ **department of local government finance** shall authorize the school board to make an excessive tax levy in accordance with the recommendation without any other proceeding. Whenever the ~~state board of tax commissioners~~ **department of local government finance** authorizes an excessive tax levy under this subsection, the ~~state board~~ **department** shall take appropriate steps to ensure that the proceeds of the excessive tax levy are first used to repay any loan authorized under sections 4.3 through 5.3 of this chapter.

SECTION 183. IC 6-1.1-19-4.9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.9. (a) This section does not apply to a school corporation that receives emergency financial relief under section 4.5(c) or section 4.7 of this chapter.

(b) Every school corporation with respect to which the tax control board recommends, and the ~~state board of tax commissioners~~ **department of local government finance** authorizes, emergency financial relief under section 4.5 of this chapter (including relief in the form of an authorization to make an excessive tax levy) is, if the school corporation accepts the authorized relief, prohibited throughout any calendar year in which or for which the school corporation receives the emergency financial relief from taking any of the prohibited actions described in this subsection until the action is recommended by the tax control board to the ~~state board of tax commissioners~~ **department** and authorized by the ~~state board of tax commissioners.~~ **department.** The prohibited actions are any of the following:

(1) The acquisition of real estate for school building purposes, the construction of new school buildings, or the remodeling or renovation of existing school buildings.

(2) The making of a lease of real or personal property for an annual rental or the incurring of any other contractual obligation (except an employment contract for a new employee, which contract is to supersede the contract of a terminating employee) calling for an annual outlay by the school corporation in excess of ten thousand dollars ($10,000).

(3) The purchase of personal property for a consideration in excess of ten thousand dollars ($10,000).

(4) The adoption or advertising of a budget, tax levy, or tax rate for any calendar year.

(c) If a school corporation subject to the controls described in subsection (b) takes any of the actions described in subsection (b) without having first obtained the recommendation of the tax control board and the ~~state board of tax commissioners'~~ **department of local government finance's** authorization for the action, the ~~state board of~~

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~~tax commissioners~~ **department** may take appropriate steps to reduce or terminate any emergency financial relief that the school corporation may then be receiving under section 4.5 of this chapter.

SECTION 184. IC 6-1.1-19-5.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.1. (a) A school corporation may conduct an analysis of that school corporation's:

(1) total transfer tuition payments actually made or estimated to be made on behalf of students transferring from the school corporation; and

(2) total revenue actually received or estimated to be received by the school corporation on behalf of students transferring to the school corporation;

to determine the net financial impact of transfer tuition on the particular school corporation for the school year ending in the calendar year immediately preceding the ensuing calendar year or the calendar year that precedes the ensuing calendar year by two (2) years, or both. If the school corporation determines from the analysis that the amount of revenue received by the school corporation under subdivision (2) is less than the amount of transfer tuition payments made by the school corporation under subdivision (1), the school corporation may include the amount attributable to the difference between the subdivision (1) and subdivision (2) amounts in the school corporation's appeal for an excessive levy under this chapter. However, a school corporation may not include the amount of a particular deficit in more than one (1) appeal.

(b) A school corporation may appeal to the ~~state board of tax commissioners~~ **department of local government finance** under this chapter to increase the school corporation's maximum permissible general fund levy for the following year by the amount described in subsection (a). Upon the demonstration by the school corporation to the ~~state board of tax commissioners~~ **department of local government finance** that the amount of transfer tuition payments received by the school corporation under subsection (a)(2) is less than the amount of transfer tuition payments made by the school corporation under subsection (a)(1), the ~~state board of tax commissioners~~ **department** shall grant the increase described in this section.

(c) If a school corporation is granted an increase under this section, the amount attributable to the increase may not be included in the school corporation's adjusted base levy for the year following the year in which the increase applies or the school corporation's determination of tuition support.

(d) A levy increase described in this section may be based on an

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estimate of transfer tuition payments paid or received by a school corporation. If the actual difference between the transfer tuition payments made by a school corporation and the transfer tuition payments received by a school corporation for a school year is less than the estimate used to grant a levy increase described in this section, the ~~state board of tax commissioners~~ **department of local government finance** may reduce the levies imposed by a school corporation by the amount of the overage.

SECTION 185. IC 6-1.1-19-5.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.3. (a) The tax control board may recommend to the ~~state board of tax commissioners~~ **department of local government finance** a correction of mathematical errors in data that affect the determination of:

(1) a school corporation's adjusted base levy;
(2) a school corporation's excessive tax levy; or
(3) a school corporation's normal tax levy.

(b) The ~~state board of tax commissioners~~ **department of local government finance** may correct mathematical errors in data for any school corporation.

SECTION 186. IC 6-1.1-19-5.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.4. (a) A school corporation may appeal to the ~~state board of tax commissioners~~ **department of local government finance** under this chapter to increase the maximum operating costs levy that is permitted for the school corporation's operating costs account for its transportation fund under IC 21-2-11.5. To be granted an increase by the ~~state board of tax commissioners,~~ **department of local government finance,** the school corporation must establish that the increase is necessary because of a transportation operating cost increase of at least ten percent (10%) over the preceding year as a result of at least one (1) of the following:

(1) A fuel expense increase.
(2) A significant increase in the number of students enrolled in the school corporation that need transportation or a significant increase in the mileage traveled by the school corporation's buses compared to the previous year.
(3) A significant increase in the number of students enrolled in special education who need transportation or a significant increase in the mileage traveled by the school corporation's buses due to students enrolled in special education as compared to the previous year.
(4) Increased transportation operating costs due to compliance with a court ordered desegregation plan.

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(5) The closure of a school building within the school corporation that results in a significant increase in the distances that students must be transported to attend another school building.

In addition, before the ~~state board of tax commissioners~~ **department of local government finance** may grant a maximum operating costs account levy increase, the school corporation must establish that the school corporation will be unable to provide transportation services without an increase. The ~~state board of tax commissioners~~ **department of local government finance** may grant a maximum operating costs levy increase that is less than the increase requested by the school corporation.

(b) If the ~~state board of tax commissioners~~ **department of local government finance** determines that a permanent increase in the maximum permissible operating costs levy is necessary, the maximum operating costs levy after the increase granted under this section becomes the school corporation's maximum permissible transportation fund's operating costs account levy under IC 21-2-11.5.

SECTION 187. IC 6-1.1-19-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A school corporation that did not impose a general fund tax levy for the preceding calendar year may not collect a general fund tax levy for the ensuing calendar year until that general fund tax levy (and the related budget, appropriations, and general fund tax rate), after being adopted and advertised and considered by the proper county board of tax adjustment as provided by law, is reviewed by the tax control board, which shall make its recommendations in respect thereof to the ~~state board of tax commissioners,~~ **department of local government finance,** and is approved by the ~~state board of tax commissioners.~~ **department.**

(b) For all purposes relevant to this chapter:

~~(i)~~ **(1)** the adjusted base levy for a school corporation that must have its levy approved under subsection (a) is the total dollar amount of the ad valorem tax levy for its general fund that, after being approved, is made by the school corporation for taxes collectible in the first full calendar year after the approval; and

~~(ii)~~ **(2)** the ADA ratio for a school corporation that must have its levy approved under subsection (a) is the quotient resulting from a division of the school corporation's current ADA by the ADA first determined after the approval for the school corporation in accordance with the rules and regulations established by the state board of education.

(c) For purposes of this chapter:

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~~(i)~~ **(1)** where territory is transferred from one (1) school corporation to another after April 4, 1973, under IC 20-4-4 or IC 20-3-14, ADA, current ADA, and ADA ratio shall be interpreted, insofar as possible, as though the pupils in the territory had been transferred in the school year ending in 1973; and

~~(ii)~~ **(2)** where territory is transferred for one (1) school corporation to another after June 1, 1978, under IC 20-4-4 or IC 20-3-14, adjusted base levy, normal tax levy, and the other terms used in this chapter shall be interpreted, insofar as possible, as though the assessed valuation of the territory had been transferred prior to March 1, 1977, in accordance with rules and a final determination by the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 188. IC 6-1.1-19-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. Any recommendation that is to be made by the tax control board to the ~~state board of tax commissioners~~ **department of local government finance** pursuant to any provision of this chapter shall be made at such a time as is prescribed in this chapter and, if no time for the making of such a recommendation is prescribed in this chapter, then the recommendation shall be made at such a time as will permit the ~~state board of tax commissioners~~ **department** to complete those duties of the ~~board~~ **department** that are defined in IC ~~1971,~~ 6-1.1-17 within the time allowed by law for the completion of those duties, or such additional time as is reasonably necessary for the ~~state board of tax commissioners~~ **department** and the tax control board to complete the duties provided by this chapter. No tax levy shall be invalid because of the failure of either **the tax control** board **or the department of local government finance** to complete its duties within the time or time limits provided by this chapter or any other law. Subject to the provisions of this chapter, the ~~state board of tax commissioners~~ **department of local government finance** may accept, reject, or accept in part and reject in part any recommendation of the tax control board that is made to it under this chapter and may make any order that is consistent with the provisions of IC ~~1971,~~ 6-1.1-17. The ~~state board of tax commissioners~~ **department of local government finance** may not approve or authorize an excessive tax levy except in accordance with the provisions of this chapter.

SECTION 189. IC 6-1.1-19-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) A school corporation may not incur bond indebtedness, enter into a lease rental

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agreement, or repay from the debt service fund loans made for the purchase of school buses under IC 20-9.1-6-5, unless the school corporation has first obtained the ~~state board of tax commissioners'~~ **department of local government finance's** approval of the lease rental agreement, bond issue or school bus purchase loan. This restriction does not apply to ad valorem property taxes which a school corporation levies to pay or fund bond or lease rental indebtedness created or incurred before July 1, 1974.

(b) The ~~state board of tax commissioners~~ **department of local government finance** may either approve, disapprove, or modify then approve a school corporation's proposed lease rental agreement, bond issue or school bus purchase loan. Before it approves or disapproves a proposed lease rental agreement, bond issue or school bus purchase loan, the ~~state board of tax commissioners~~ **department of local government finance** may seek the recommendation of the tax control board.

(c) The ~~state board of tax commissioners~~ **department of local government finance** shall render a decision not more than three (3) months after the date it receives a request for approval under subsection (a). However, the ~~state board of tax commissioners~~ **department of local government finance** may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the ~~board~~ **department** sends notice of the extension to the executive officer of the school corporation.

(d) After December 31, 1995, the ~~state board of tax commissioners~~ **department of local government finance** may not approve a school corporation's proposed lease rental agreement or bond issue to finance the construction of additional classrooms unless the school corporation first:

(1) establishes that additional classroom space is necessary; and

(2) conducts a feasibility study, holds public hearings, and hears public testimony on using a twelve (12) month school term (instead of the nine (9) month school term (as defined in IC 20-10.1-2-2)) rather than expanding classroom space.

(e) This section does not apply to school bus purchase loans made by a school corporation which will be repaid solely from the general fund of the school corporation.

SECTION 190. IC 6-1.1-19-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) This section applies to a school corporation that:

(1) is located in a county having a population of more than three

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hundred thousand (300,000) but less than four hundred thousand (400,000);

(2) is a party to a lawsuit alleging that its schools are segregated in violation of the Constitution of the United States or federal law;

(3) desires to improve or maintain racial balance among two (2) or more schools within the school corporation, regardless of the school corporation's basis for desiring to improve or maintain racial balance; and

(4) has a minority student enrollment that comprises at least ten percent (10%) of its total student enrollment, using the most recent enrollment data available to the school corporation.

(b) As used in this section, "minority student" means a student who is black, Spanish American, Asian American, or American Indian.

(c) A school corporation may establish a racial balance fund and petition the school property tax control board to impose an ad valorem property tax to raise revenue for the fund. However, before a school corporation may impose an ad valorem property tax under this section, the school corporation must file a petition with the school property tax control board. The petition must be filed before June 1 of the year preceding the first year the school corporation desires to impose the property tax and must include the following:

(1) The name of the school corporation.

(2) A settlement agreement among the parties to a desegregation lawsuit that includes the program that will improve or maintain racial balance in the school corporation.

(3) The proposed property tax levy.

(4) Any other item required by the school property tax control board.

(d) The school property tax control board may recommend to the ~~state board of tax commissioners~~ **department of local government finance** that a school corporation be allowed to establish a racial balance fund to be funded by an ad valorem property tax levy. The amount of the levy shall be determined each year and the levy may not exceed the lesser of the following:

(1) The revenue derived from a tax rate of eight and thirty-three hundredths cents ($0.0833) for each one hundred dollars ($100) of assessed valuation within the school corporation.

(2) The revenue derived from a tax rate equal to the difference between the maximum rate allowed for the school corporation's capital projects fund under IC 21-2-15 minus the actual capital projects fund rate that will be in effect for the school corporation for a particular year.

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(e) The ~~state board of tax commissioners~~ **department of local government finance** shall review the petition of the school corporation and the recommendation of the school property tax control board and:

(1) disapprove the petition if the petition does not comply with this section;

(2) approve the petition; or

(3) approve the petition with modifications.

(f) A property tax levy under this section is in addition to, and not part of, the school corporation's general fund property tax levy for purposes of determining the school corporation's maximum permissible general fund property tax levy under this chapter.

(g) Money received from a property tax levy under this section shall be deposited in the school corporation's racial balance fund established under this section. Money in the fund may be used only for education programs that improve or maintain racial balance in the school corporation. ~~However,~~ Money in the fund may not be used for:

(1) transportation; or

(2) capital improvements;

even though those costs may be attributable to the school corporation's proposed programs for improving or maintaining racial balance in the school corporation.

SECTION 191. IC 6-1.1-19-10.5, AS ADDED BY P.L.291-2001, SECTION 241, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10.5. Notwithstanding the order of the ~~state board of tax commissioners~~ **department of local government finance** in the matter of the excessive levy appeal for emergency financial relief for Jay County School Corporation, the ~~state board of tax commissioners~~ **department** shall grant approval of an excessive levy to a school corporation that has requested **the excessive levy** as a result of an intercept action. Such relief shall be granted as an advance of state funds to be paid back to the state treasurer in one hundred twenty (120) payments of thirteen thousand eight hundred eighty-two dollars ($13,882) beginning on January 15, 2001, and ending with final payment on December 31, 2010.

SECTION 192. IC 6-1.1-20-3.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.2. If a sufficient petition requesting the application of a petition and remonstrance process has been filed as set forth in section 3.1 of this chapter, 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 the political subdivision shall give notice of the applicability of the petition and remonstrance

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process by:

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

(B) first class mail to the organizations described in section 3.1(1)(B) of this chapter.

A notice under this subdivision must include a statement that any owners of real property within the political subdivision who want to petition in favor of or remonstrate against the proposed debt service or lease payments must file petitions and remonstrances in compliance with subdivisions (2) through (4) not earlier than thirty (30) days or later than sixty (60) days after publication in accordance with IC 5-3-1.

(2) Not earlier than thirty (30) days or later than sixty (60) days after the notice under subdivision (1) is given:

(A) petitions (described in subdivision (3)) in favor of the bonds or lease; and

(B) remonstrances (described in subdivision (3)) against the bonds or lease;

may be filed by an owner or owners of real property within the political subdivision. Each signature on a petition must be dated and the date of signature may not be before the date on which the petition and remonstrance forms may be issued under subdivision (3). A petition described in clause (A) or a remonstrance described in clause (B) must be verified in compliance with subdivision (4) before the petition or remonstrance is filed with the county auditor under subdivision (4).

(3) The state board of accounts shall design and, upon request by the county auditor, deliver to the county auditor or the county auditor's designated printer the petition and remonstrance forms to be used solely in the petition and remonstrance process described in this section. The county auditor shall issue to an owner or owners of real property within the political subdivision the number of petition or remonstrance forms requested by the owner or owners. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of real property;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and

(D) govern the closing date for the petition and remonstrance period.

Persons requesting forms may not be required to identify

copy

themselves and may be allowed to pick up additional copies to distribute to other property owners. The county auditor may not issue a petition or remonstrance form earlier than twenty-nine (29) days after the notice is given under subdivision (1). The county auditor shall certify the date of issuance on each petition or remonstrance form that is distributed under this subdivision.

(4) The petitions and remonstrances must be verified in the manner prescribed by the state board of accounts and filed with the county auditor within the sixty (60) day period described in subdivision (2) in the manner set forth in section 3.1 of this chapter relating to requests for a petition and remonstrance process.

(5) The county auditor must file a certificate and the petition or remonstrance with the body of the political subdivision charged with issuing bonds or entering into leases within fifteen (15) business days of the filing of a petition or remonstrance under subdivision (4), whichever applies, containing ten thousand (10,000) signatures or less. The county auditor may take an additional five (5) days to review and certify the petition or remonstrance for each additional five thousand (5,000) signatures up to a maximum of sixty (60) days. The certificate must state the number of petitioners and remonstrators that are owners of real property within the political subdivision.

(6) If a greater number of owners of real property within the political subdivision sign a remonstrance than the number that signed a petition, the bonds petitioned for may not be issued or the lease petitioned for may not be entered into. The proper officers of the political subdivision may not make a preliminary determination to issue bonds or enter into a lease for the controlled project defeated by the petition and remonstrance process under this section or any other controlled project that is not substantially different within one (1) year after the date of the county auditor's certificate under subdivision (5). Withdrawal of a petition carries the same consequences as a defeat of the petition.

(7) After a political subdivision has gone through the petition and remonstrance process set forth in this section, the political subdivision is not required to follow any other remonstrance or objection procedures under any other law relating to bonds or leases designed to protect owners of real property within the political subdivision from the imposition of property taxes to pay debt service or lease rentals. However, the political subdivision

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must still receive the approval of the ~~state board of tax commissioners~~ **department of local government finance** required by IC 6-1.1-18.5-8 or IC 6-1.1-19-8.

SECTION 193. IC 6-1.1-20-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) When the proper officers of a political subdivision decide to issue bonds in a total amount which exceeds five thousand dollars ($5,000), they shall give notice of the decision by:

(1) posting; and

(2) publication once each week for two (2) weeks.

The notice required by this section shall be posted in three (3) public places in the political subdivision and published in accordance with IC 5-3-1-4. The decision to issue bonds may be a preliminary decision.

(b) Ten (10) or more taxpayers who will be affected by the proposed issuance of the bonds and who wish to object to the issuance on the grounds that it is unnecessary or excessive may file a petition in the office of the auditor of the county in which the political subdivision is located. The petition must be filed within fifteen (15) days after the notice required by subsection (a) ~~of this section~~ is given, and it must contain the objections of the taxpayers and facts which show that the proposed issue is unnecessary or excessive. When taxpayers file a petition in the manner prescribed in this subsection, the county auditor shall immediately forward a certified copy of the petition and any other relevant information to the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 194. IC 6-1.1-20-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) Upon receipt of a certified petition filed in the manner prescribed in section 5(b) of this chapter, the ~~state board of tax commissioners~~ **department of local government finance** shall fix a time and place for a hearing on the matter. The ~~state board~~ **department of local government finance** shall hold the hearing not less than five (5) or more than thirty (30) days after the ~~board~~ **department** receives the petition, and the ~~state board~~ **department** shall hold the hearing in the political subdivision or in the county where the political subdivision is located. At least five (5) days before the date fixed for the hearing, the ~~state board of tax commissioners~~ **department of local government finance** shall give notice of the hearing, by mail, to the executive officer of the political subdivision and to the first ten (10) taxpayers who signed the petition. The mailings shall be addressed to the officer and the taxpayers at their usual place of residence.

(b) After the hearing required by this section, the ~~state board of tax~~

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~~commissioners~~ **department of local government finance** may approve, disapprove, or reduce the amount of the proposed issue. The ~~board~~ **department of local government finance** must render a decision not later than three (3) months after the hearing, and if no decision is rendered within that time, the issue is considered approved unless the ~~board~~ **department** takes the extension provided for in this section. ~~However,~~ A three (3) month extension of the time period during which the decision must be rendered may be taken by the ~~board~~ **department of local government finance** if the ~~board~~ **department** by mail gives notice of the extension to the executive officer of the political subdivision and to the first ten (10) taxpayers who signed the petition, at least ten (10) days before the end of the original three (3) month period. If no decision is rendered within the extension period, the issue is considered approved. The action taken by the ~~state board of tax commissioners~~ **department of local government finance** on the proposed issue is final.

SECTION 195. IC 6-1.1-20-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. When the proper officers of a political subdivision decide to issue any bonds, notes, or warrants which will be payable from property taxes and which will bear interest in excess of eight percent (8%) per annum, the political subdivision shall submit the matter to the ~~state board of tax commissioners~~ **department of local government finance** for review. The ~~board~~ **department of local government finance** may either approve or disapprove the rate of interest.

SECTION 196. IC 6-1.1-20-9, AS AMENDED BY P.L.47, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) When the proper officers of a political subdivision decide to issue bonds payable from property taxes to finance a public improvement, they shall adopt an ordinance or resolution which sets forth their determination to issue the bonds. Except as provided in subsection (b), ~~of this section,~~ the political subdivision may not advertise for or receive bids for the construction of the improvement until the expiration of the latter of:

(1) the time period within which taxpayers may file a petition for review of or a remonstrance against the proposed issue; or

(2) the time period during which a petition for review of the proposed issue is pending before the ~~state board of tax commissioners.~~ **department of local government finance.**

(b) When a petition for review of a proposed issue is pending before the ~~state board of tax commissioners,~~ **department of local government finance,** the ~~board~~ **department** may order the political

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subdivision to advertise for and receive bids for the construction of the public improvement. When the ~~board~~ **department of local government finance** issues such an order, the political subdivision shall file a bid report with the ~~state board of tax commissioners~~ **department** within five (5) days after the bids are received, and the ~~board~~ **department** shall render a final decision on the proposed issue within fifteen (15) days after it receives the bid report. Notwithstanding the provisions of this subsection, a political subdivision may not enter into a contract for the construction of a public improvement while a petition for review of the bond issue which is to finance the improvement is pending before the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 197. IC 6-1.1-20.7-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. A person desiring to claim the credit provided by section 9 of this chapter must file a certified application, on forms prescribed by the ~~state board of tax commissioners,~~ **department of local government finance,** with:

(1) the auditor of the county where the inventory with respect to which the credit is claimed was located on the assessment date; and

(2) the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 198. IC 6-1.1-20.9-3, AS AMENDED BY P.L.125-1999, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) An individual who desires to claim the credit provided by section 2 of this chapter must file a certified statement in duplicate, on forms prescribed by the ~~state board of tax commissioners,~~ **department of local government finance,** with the auditor of the county in which the homestead is located. The statement shall include the parcel number or key number of the real estate and the name of the city, town, or township in which the real estate is located. The statement must be filed during the twelve (12) months before May 11 of the year prior to the first year for which the person wishes to obtain the credit for the homestead. The statement applies for that first year and any succeeding year for which the credit is allowed.

(b) The certified statement referred to in subsection (a) shall contain the name of any other county and township in which the individual owns or is buying real property.

(c) If an individual who is receiving the credit provided by this chapter changes the use of his real property, so that part or all of that real property no longer qualifies for the homestead credit provided by this chapter, the individual must file a certified statement with the

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auditor of the county, notifying the auditor of the change of use within sixty (60) days after the date of that change. An individual who changes the use of his real property and fails to file the statement required by this subsection is liable for the amount of the credit he was allowed under this chapter for that real property.

(d) An individual who receives the credit provided by section 2 of this chapter for property that is jointly held with another owner in a particular year and remains eligible for the credit in the following year is not required to file a statement to reapply for the credit following the removal of the joint owner if:

(1) the individual is the sole owner of the property following the death of the individual's spouse;

(2) the individual is the sole owner of the property following the death of a joint owner who was not the individual's spouse; or

(3) the individual is awarded sole ownership of property in a divorce decree.

SECTION 199. IC 6-1.1-20.9-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. Before April 1 of each year prior to the year in which the credit is allowed, the auditor of each county shall certify to the ~~state board of tax commissioners~~ **department of local government finance** the amount of the assessed valuation which qualifies for the homestead credit. Before February 1 of each year, the auditor of each county shall certify to the ~~state board of tax commissioners~~ **department of local government finance** the amount of homestead credits allowed in that county for that calendar year.

SECTION 200. IC 6-1.1-21-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) On or before March 1 of each year, the ~~state board of tax commissioners~~ **department of local government finance** shall certify to the department on a form approved by the state board of accounts, an estimate of the total county tax levy collectible in that calendar year for each county in the state. The estimate shall be based on the tax collections for the preceding calendar year, adjusted as necessary to reflect the total county tax levy (as defined in section 2(g) of this chapter) from the budgets, tax levies, and rates as finally determined and acted upon by the ~~state board of tax commissioners.~~ **department of local government finance.** The department, with the assistance of the auditor of state, shall determine on the basis of the report an amount equal to twenty percent (20%) of the total county tax levy, which is the estimated property tax replacement.

(b) In the same report containing the estimate of a county's total

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county tax levy, the ~~state board of tax commissioners~~ **department of local government finance** shall also certify the amount of homestead credits provided under IC 6-1.1-20.9 which are allowed by the county for the particular calendar year.

(c) If there are one (1) or more taxing districts in the county that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter, the ~~state board of tax commissioners~~ **department of local government finance** shall estimate an additional distribution for the county in the same report required under subsection (a). This additional distribution equals the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Estimate that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the estimated property tax replacement determined under subsection (a) that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the property taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(d) The sum of the amounts determined under subsections (a) through (c) is the particular county's estimated distribution for the calendar year.

SECTION 201. IC 6-1.1-21-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) There is established a property tax replacement fund board to consist of the commissioner of the department, the ~~chairman~~ **commissioner** of the ~~state board of tax commissioners,~~ **department of local government finance,** the director of the budget agency, and two (2) ex officio nonvoting representatives of the general assembly of the state of Indiana. The speaker of the house of representatives shall appoint one (1) member of the house as one (1) of the ex officio nonvoting representatives, and the president pro tempore of the senate shall appoint one (1) senator as the other ex officio nonvoting representative, each to serve at the will of the appointing officer. The commissioner of the department shall be the chairman of the board, and the director of the budget agency shall be the secretary of the board.

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(b) The board may, upon a vote of a majority of the members of the board, increase the percentage of property tax replacement funds to be distributed from the property tax replacement fund to the several counties for credit to the taxpayers in the counties as provided in this chapter if in the judgment of the board there are surplus funds available in the fund for the increased distribution. The board shall make such a determination on or before March 1 of each year relative to the amounts to be distributed from the property tax replacement fund for that year. Upon such a determination the commissioner **of the department of state revenue** shall immediately notify the treasurers of the several counties of the increased distribution.

(c) The schedule to be used in making distributions to county treasurers during the periods set forth in section 4(b) of this chapter is as follows:

January	0.00%
February	0.00%
March	16.70%
April	16.70%
May	16.60%
June	0.00%
July	0.00%
August	0.00%
September	16.70%
October	16.70%
November	16.60%
December	0.00%

The board may authorize the department to distribute the estimated distributions to counties earlier than what is required under section 4(b) of this chapter.

(d) The board is also authorized to transfer funds from the property tax replacement fund for the purpose of providing financial aid to school corporations as provided in IC 21-3.

SECTION 202. IC 6-1.1-21.5-6, AS AMENDED BY P.L.291-2001, SECTION 210, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The receipt by the qualified taxing unit of the loan proceeds is not considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7. The receipt by the qualified taxing unit of any payment of delinquent tax owed by a taxpayer in bankruptcy is considered to be part of the ad valorem property tax levy

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actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7.

(b) The loan proceeds and any payment of delinquent tax may be expended by the qualified taxing unit only to pay debts of the qualified taxing unit that have been incurred pursuant to duly adopted appropriations approved by the ~~state board of tax commissioners~~ **department of local government finance** for operating expenses.

(c) In the event the sum of the receipts of the qualified taxing unit that are attributable to:

(1) the loan proceeds; and

(2) the payment of property taxes owed by a taxpayer in a bankruptcy proceeding initially filed in 2000 and payable in 2001;

exceeds sixteen million dollars ($16,000,000), the excess as received during any calendar year or years shall be set aside and treated for the calendar year when received as a levy excess subject to IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7. In calculating the payment of property taxes as provided in subdivision (2), the amount of property tax credit finally allowed under IC 6-1.1-21-5 in respect to such taxes is deemed to be a payment of such property taxes.

(d) As used in this section, "delinquent tax" means any tax owed by a taxpayer in a bankruptcy proceeding initially filed in 2000 and that is not paid during the calendar year for which it was first due and payable.

SECTION 203. IC 6-1.1-21.6-2, AS ADDED BY P.L.291-2001, SECTION 238, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. If the school property tax control board recommends a distribution from the property tax replacement fund under section 1 of this chapter, the school property tax control board shall immediately forward a copy of its recommendation and findings to the ~~state board of tax commissioners.~~ **department of local government finance.** The ~~state board of tax commissioners~~ **department of local government finance** shall review the recommendation and findings of the school property tax control board and may approve, modify and approve, or reject the recommendation of the school property tax control board. ~~However,~~ The ~~board~~ **department of local government finance** may not approve a distribution from the property tax replacement fund that exceeds the amount of the school corporation's property tax shortfall attributable to the delinquent installment or installments of property taxes described in section 1 of this chapter, as determined by the ~~state board of tax commissioners.~~ **department.**

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SECTION 204. IC 6-1.1-21.6-3, AS ADDED BY P.L.291-2001, SECTION 238, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. If the ~~state board of tax commissioners~~ **department of local government finance** approves a distribution from the property tax replacement fund under section 2 of this chapter, the ~~state board of tax commissioners~~ **department** shall immediately notify the auditor of state, who shall draw warrants for the distribution on the treasurer of state. A distribution made under this chapter is payable in two (2) equal installments. The first installment shall be paid in the first month following the approval of the distribution by the ~~state board of tax commissioners,~~ **department of local government finance,** and the second installment shall be paid in the second month following the approval of the distribution by the ~~state board of tax commissioners.~~ **department.**

SECTION 205. IC 6-1.1-21.7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A taxing unit may apply for a loan under this chapter.

(b) A taxing unit qualifies for a loan under this chapter for a fund if:

(1) the United States Congress limits or terminates its authorization for a taxing unit to impose a property tax on a taxpayer;

(2) the lost revenue for at least one (1) fund, as determined under section 10, STEP THREE of this chapter, is at least five percent (5%) of the property tax revenues for the fund that the taxing unit would have received in the current year if the United States Congress had not limited or terminated payments from the taxpayer to the taxing unit, as determined under section 10, STEP TWO of this chapter; and

(3) the taxing unit appeals to the ~~state board of tax commissioners~~ **department of local government finance** for emergency financial relief under this chapter in the same manner as an appeal for emergency relief under IC 6-1.1-18.5-12 or IC 6-1.1-19-4.1.

~~However,~~ The appeal required under subdivision (3) may be filed at any time.

(c) A taxing unit may receive a loan to replace lost revenue only for the first five (5) years in which the taxing unit loses revenue as a result of an act of the United States Congress described in subsection (b)(1).

SECTION 206. IC 6-1.1-21.7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The ~~state board of tax commissioners~~ **department of local government finance** shall grant emergency financial relief to a taxing unit that qualifies under section 6 of this chapter not more than thirty (30) days after the

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appeal is filed by the taxing unit. The ~~state board of tax commissioners~~ **department of local government finance** shall compute the amount of the loan that a taxing unit is eligible to receive in a calendar year under this chapter. The amount of the loan is the lesser of the amount sought by the taxing unit or the maximum loan allowed under section 9 of this chapter. The ~~state board of tax commissioners~~ **department of local government finance** shall include the amount of the approved loan for the initial year of the loan in the order granting emergency financial relief.

(b) Upon approval of emergency financial relief under this chapter, the ~~state board of tax commissioners~~ **department of local government finance** shall transmit sufficient information to the board to consider the application of the taxing unit. During the term of the loan, the ~~state board of tax commissioners~~ **department of local government finance** shall annually compute and transmit to the board the amount of loan proceeds for which the taxing unit is eligible in a calendar year after the initial year of the loan.

SECTION 207. IC 6-1.1-21.7-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. The board shall make a loan from the counter-cyclical revenue and economic stabilization fund to the taxing unit in the amount specified in the order of the ~~state board of tax commissioners~~ **department of local government finance** under section 7 of this chapter not more than thirty (30) days after the ~~state board of tax commissioners~~ **department** notifies the board under section 7 of this chapter that the appeal for emergency relief has been granted. The board and the taxing unit shall enter into a written agreement governing the terms and conditions of the loan. The agreement must contain the following provisions:

(1) The taxing unit is obligated to pay an interest rate of five percent (5%) simple interest per year on the outstanding balance of the loan.

(2) The taxing unit is obligated to begin repaying the principal of the loan after January 1 in the sixth year after the year in which the loan is granted.

(3) The taxing unit shall repay the loan on the schedule agreed to between the board and the taxing unit with the last payment being made not later than December 1 in the tenth year after the year in which the loan is granted.

(4) In addition to any other remedy available to the board, the board is authorized to offset the amount of any delinquent payment on the loan from property tax replacement credit or homestead credit distributions otherwise due the taxing unit.

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SECTION 208. IC 6-1.1-21.7-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The maximum loan that a taxing unit may receive for a calendar year is equal to the result determined in STEP THREE of the following formula:

STEP ONE: Determine under section 10 of this chapter the lost revenue in the calendar year for each fund described in section 6(b)(2) of this chapter.

STEP TWO: Determine the sum of the STEP ONE amounts for all funds described in section 6(b)(2) of this chapter.

STEP THREE: Multiply the STEP TWO result by a phase out factor based on the following table and the number of calendar years that have occurred after the calendar year in which an act of the United States Congress described in section 6(b)(1) of this chapter initially takes effect to reduce or eliminate the payment by a taxpayer of property taxes:

Elapsed Year	Phase Out Factor
0	1.00
1	.80
2	.60
3	.40
4	.20
5 and thereafter	0.00

Round the result to the nearest dollar ($1).

(b) The board may rely on the order of the ~~state board of tax commissioners~~ **department of local government finance** under section 7 of this chapter to determine the:

(1) eligibility of a taxing unit for a loan under this chapter; and

(2) amount of a loan to grant to a taxing unit under this chapter.

SECTION 209. IC 6-1.1-21.7-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. The lost revenue for a fund is the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the property tax levy approved by the ~~state board of tax commissioners~~ **department of local government finance** for the base year, as adjusted by the following:

(A) If the taxpayer made payments in lieu of taxes in the base year that were not included in the property tax levy for the base year, add the amount of the payments in lieu of taxes made by the taxpayer in the base year to the amount of the tax

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levy.

(B) If part of the taxpayer's property that was used in the base year to compute the taxpayer's payments to the taxing unit is not in the taxing unit or would not otherwise be the basis for taxpayer payments to the taxing unit in the current year, reduce the amount determined in this STEP to reflect the removal of the property.

(C) If the taxpayer's property used to compute the property taxes or payments in lieu of property taxes paid in the base year is depreciable property that would have had a lower assessed value in the current year, reduce the amount determined in this STEP to reflect the lower amount of property taxes or payments in lieu of property taxes that the taxpayer would have paid in the current year for the same property.

STEP TWO: Determine the current levy using the tax rate used for the base year as follows:

(A) Determine the assessed value of all taxable property on which property taxes will be collected:

(i) in the current year; and

(ii) for the smaller of the geographic area in which the taxing unit imposed property taxes for collection in the base year or the geographic area in which the taxing unit imposes property taxes in the current year.

If a general reassessment has become effective in a year after the base year, adjust the assessed value determined in this clause to neutralize the effects of reassessment.

(B) Multiply the assessed value determined for the current year under clause (A) by the tax rate for the fund in the base year.

(C) Divide the result under clause (B) by one hundred (100).

(D) Subtract the amount of any:

(i) property tax payment; or

(ii) payment in lieu of property taxes;

made by the taxpayer to the fund for the current year that is not included in the amount determined under clause (C).

STEP THREE: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP ONE amount minus the STEP TWO amount.

SECTION 210. IC 6-1.1-22-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The auditor

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of each county shall, before March 15 of each year, prepare a roll of property taxes payable in that year for the county. This roll shall be known as the "tax duplicate" and shall show:

(1) the value of all the assessed property of the county;

(2) the person liable for the taxes on the assessed property; and

(3) any other information that the state board of accounts, with the advice and approval of the ~~state board of tax commissioners,~~ **department of local government finance,** may prescribe.

(b) The county auditor shall comply with the instructions issued by the state board of accounts for the preparation, preservation, alteration, and maintenance of the tax duplicate. The county auditor shall deliver a copy of the tax duplicate prepared under subsection (a) to the county treasurer before March 1 of each year.

SECTION 211. IC 6-1.1-22-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Immediately upon the receipt of the tax duplicate, the county treasurer shall give notice of the rate of tax per one hunded dollars ($100) of assessed valuation to be collected in the county for each purpose and the total of the rates in each taxing district. This notice shall be published in the form prescribed by the ~~state board of tax commissioners~~ **department of local government finance** three (3) times with each publication one (1) week apart.

(b) The notice required by this section shall be printed in two (2) newspapers which represent different political parties and which are published in the county. However, if two (2) newspapers which represent different political parties are not published in the county, the notice shall be printed in one (1) newspaper.

SECTION 212. IC 6-1.1-23-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) The treasurer of a county in which a judgment is entered under section 9 of this chapter shall send a certificate of the judgment to the treasurer of another county and to the ~~state board of tax commissioners~~ **department of local government finance** if ~~he~~ **the county treasurer** determines that:

(1) the delinquent taxpayer does not have, in the county in which the judgment is entered, property of sufficient value to satisfy the judgment; and

(2) the delinquent taxpayer does have property in the other county.

(b) A county treasurer who receives a certificate of judgment shall have the judgment indexed in the judgment docket by the clerk of the circuit court of the county the treasurer serves. The county treasurer

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shall proceed to have execution issued upon the judgment in the same manner as if the judgment had been originally entered in the county he serves.

(c) The ~~state board of tax commissioners~~ **department of local government finance** shall make periodic audits of the records of the county treasurers to insure compliance with the provisions of this section.

SECTION 213. IC 6-1.1-25-4.1, AS AMENDED BY P.L.139-2001, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.1. (a) If, as provided in section 4(f) of this chapter, the county auditor does not issue a deed to the county for property for which a certificate of sale has been issued to the county under IC 6-1.1-24-9 because the county executive determines that the property contains hazardous waste or another environmental hazard for which the cost of abatement or alleviation will exceed the fair market value of the property, the property may be transferred consistent with the provisions of this section.

(b) A person who desires to obtain title to and eliminate the hazardous conditions of property containing hazardous waste or another environmental hazard for which a county holds a certificate of sale but to which a deed may not be issued to the county under section 4(f) of this chapter may file a petition with the county auditor seeking a waiver of the delinquent taxes, special assessments, interest, penalties, and costs assessed against the property and transfer of the title to the property to the petitioner. The petition must:

(1) be on a form prescribed by the state board of accounts and approved by the ~~state board of tax commissioners;~~ **department of local government finance;**

(2) state the amount of taxes, special assessments, penalties, and costs assessed against the property for which a waiver is sought;

(3) describe the conditions existing on the property that have prevented the sale or the transfer of title to the county;

(4) describe the plan of the petitioner for elimination of the hazardous condition on the property under IC 13-25-5 and the intended use of the property; and

(5) be accompanied by a fee established by the county auditor for completion of a title search and processing.

(c) Upon receipt of a petition described in subsection (b), the county auditor shall review the petition to determine whether the petition is complete. If the petition is not complete, the county auditor shall return the petition to the petitioner and describe the defects in the petition. The petitioner may correct the defects and file the completed petition

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with the county auditor. Upon receipt of a completed petition, the county auditor shall forward a copy of the petition to:

(1) the assessor of the township in which the property is located;

(2) the owner;

(3) all persons who have, as of the date of the filing of the petition, a substantial interest of public record in the property;

(4) the county property tax assessment board of appeals; and

(5) the ~~state board of tax commissioners.~~ **department of local government finance.**

(d) Upon receipt of a petition described in subsection (b), the county property tax assessment board of appeals shall, at the county property tax assessment board of appeals' earliest opportunity, conduct a public hearing on the petition. The county property tax assessment board of appeals shall, by mail, give notice of the date, time, and place fixed for the hearing to:

(1) the petitioner;

(2) the owner;

(3) all persons who have, as of the date the petition was filed, a substantial interest of public record in the property; and

(4) the assessor of the township in which the property is located.

In addition, notice of the public hearing on the petition shall be published one (1) time at least ten (10) days before the hearing in a newspaper of countywide circulation and posted at the principal office of the county property tax assessment board of appeals, or at the building where the meeting is to be held.

(e) After the hearing and completion of any additional investigation of the property or of the petitioner that is considered necessary by the county property tax assessment board of appeals, the county board shall give notice, by mail, to the parties listed in subsection (d) of the county property tax assessment board of appeals' recommendation as to whether the petition should be granted. The county property tax assessment board of appeals shall forward to the ~~state board of tax commissioners~~ **department of local government finance** a copy of the county property tax assessment board of appeals' recommendation and a copy of the documents submitted to or collected by the county property tax assessment board of appeals at the public hearing or during the course of the county board of appeals' investigation of the petition.

(f) Upon receipt by the ~~state board of tax commissioners~~ **department of local government finance** of a recommendation by the county property tax assessment board of appeals, the ~~state board of tax commissioners~~ **department of local government finance** shall review

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the petition and all other materials submitted by the county property tax assessment board of appeals and determine whether to grant the petition. Notice of the determination by the ~~state board of tax commissioners~~ **department of local government finance** and the right to seek an appeal of the determination shall be given by mail to:

(1) the petitioner;
(2) the owner;
(3) all persons who have, as of the date the petition was filed, a substantial interest of public record in the property;
(4) the assessor of the township in which the property is located; and
(5) the county property tax assessment board of appeals.

(g) Any person aggrieved by a determination of the ~~state board of tax commissioners~~ **department of local government finance** under subsection (f) may file an appeal seeking additional review by the ~~state board of tax commissioners~~ **department of local government finance** and a public hearing. In order to obtain a review under this subsection, the aggrieved person must file a petition for appeal with the county auditor in the county where the tract or item of real property is located not more than thirty (30) days after issuance of notice of the ~~state board of tax commissioners'~~ determination **of the department of local government finance.** The county auditor shall transmit the petition for appeal to the ~~state board of tax commissioners~~ **department of local government finance** not more than ten (10) days after the petition is filed.

(h) Upon receipt by the ~~state board of tax commissioners~~ **department of local government finance** of an appeal, the ~~state board of tax commissioners~~ **department of local government finance** shall set a date, time, and place for a hearing. The ~~state board of tax commissioners~~ **department of local government finance** shall give notice, by mail, of the date, time, and place fixed for the hearing to:

(1) the person filing the appeal;
(2) the petitioner;
(3) the owner;
(4) all persons who have, as of the date the petition was filed, a substantial interest of public record in the property;
(5) the assessor of the township in which the property is located; and
(6) the county property tax assessment board of appeals.

The ~~state board of tax commissioners~~ **department of local government finance** shall give the notices at least ten (10) days before the day fixed for the hearing.

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(i) After the hearing, the ~~state board of tax commissioners~~ **department of local government finance** shall give the parties listed in subsection (h) notice by mail of the ~~state board's~~ final determination **of the department of local government finance.**

(j) If the ~~state board of tax commissioners~~ **department of local government finance** decides to:

(1) grant the petition submitted under subsection (b) after initial review of the petition under subsection (f) or after an appeal under subsection (h); and

(2) waive the taxes, special assessments, interest, penalties, and costs assessed against the property;

the ~~state board of tax commissioners~~ **department of local government finance** shall issue to the county auditor an order directing the removal from the tax duplicate of the taxes, special assessments, interest, penalties, and costs for which the waiver is granted.

(k) After:

(1) at least thirty (30) days have passed since the issuance of a notice by the ~~state board of tax commissioners~~ **department of local government finance** to the county property tax assessment board of appeals granting a petition filed under subsection (b), if no appeal has been filed; or

(2) not more than thirty (30) days after receipt by the county property tax assessment board of appeals of a notice of a final determination of the ~~state board of tax commissioners~~ **department of local government finance** granting a petition filed under subsection (b) after an appeal has been filed and heard under subsection (h);

the county auditor shall file a verified petition and an application for an order on the petition in the court in which the judgment of sale was entered asking the court to direct the county auditor to issue a tax deed to the real property. The petition shall contain the certificate of sale issued to the county, a copy of the petition filed under subsection (b), and a copy of the notice of the final determination of the ~~state board of tax commissioners~~ **department of local government finance** directing the county auditor to remove the taxes, interest, penalties, and costs from the tax duplicate. Notice of the filing of the petition and application for an order on the petition shall be given, by mail, to the owner and any person with a substantial interest of public record in the property. A person owning or having an interest in the property may appear to object to the petition.

(l) The court shall enter an order directing the county auditor to issue a tax deed to the petitioner under subsection (b) if the court finds

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that the following conditions exist:

(1) The time for redemption has expired.

(2) The property has not been redeemed before the expiration of the period of redemption specified in section 4 of this chapter.

(3) All taxes, special assessments, interest, penalties, and costs have been waived by the ~~state board of tax commissioners~~ **department of local government finance** or, to the extent not waived, paid by the petitioner under subsection (b).

(4) All notices required by this section and sections 4.5 and 4.6 of this chapter have been given.

(5) The petitioner under subsection (b) has complied with all the provisions of law entitling the petitioner to a tax deed.

(m) A tax deed issued under this section is uncontestable except by appeal from the order of the court directing the county auditor to issue the tax deed. The appeal must be filed not later than sixty (60) days after the date of the court's order.

SECTION 214. IC 6-1.1-26-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. A person, or his heirs, personal representative, or successors, may file a claim for the refund of all or a portion of a tax installment which he has paid. However, the claim must be:

(1) filed with the auditor of the county in which the taxes were originally paid;

(2) filed within three (3) years after the taxes were first due;

(3) filed on the form prescribed by the state board of accounts and approved by the ~~state board of tax commissioners;~~ **department of local government finance;** and

(4) based upon one (1) of the following grounds:

~~(i)~~ **(A)** Taxes on the same property have been assessed and paid more than once for the same year.

~~(ii)~~ **(B)** The taxes, as a matter of law, were illegal.

~~(iii)~~ **(C)** There was a mathematical error either in the computation of the assessment upon which the taxes were based or in the computation of the taxes.

SECTION 215. IC 6-1.1-28-8, AS AMENDED BY P.L.1-2001, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The county property tax assessment board shall remain in session until the board's duties are complete.

(b) All expenses and per diem compensation resulting from a session of a county property tax assessment board that is called by the ~~state board of tax commissioners~~ **department of local government finance** under subsection (c) shall be paid by the county auditor, who

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shall, without an appropriation being required, draw warrants on county funds not otherwise appropriated.

(c) The ~~state board of tax commissioners~~ **department of local government finance** may also call a session of the county property tax assessment board after completion of a general reassessment of real property. The ~~state board~~ **department of local government finance** shall fix the time for and duration of the session.

SECTION 216. IC 6-1.1-28-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Subject to the limitations contained in subsection (b), a county on behalf of the property tax assessment board of appeals may employ and fix the compensation of as many field representatives and hearing examiners as are necessary to promptly and efficiently perform the duties and functions of the board. A person employed under this subsection must be a person who is certified in Indiana as a "level two" assessor-appraiser by the ~~state board of tax commissioners.~~ **department of local government finance.**

(b) The number and compensation of all persons employed under this section are subject to the appropriations made for that purpose by the county council.

SECTION 217. IC 6-1.1-30-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6.5. The governor shall appoint an individual with appropriate training and experience as commissioner of the department of local government finance. The commissioner is the executive and chief administrative officer of the department. The commissioner:**

(1) may delegate authority to appropriate department staff;

(2) serves at the governor's pleasure; and

(3) is entitled to receive compensation in an amount set by the governor, subject to approval by the budget agency.

SECTION 218. IC 6-1.1-31-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The ~~state board of tax commissioners~~ **department of local government finance** may promulgate rules, property tax forms, property tax returns, and notice forms in the manner prescribed in IC 4-22-2. However, the ~~board~~ **department of local government finance** may, at any time, make a nonsubstantive change in a promulgated property tax form or return if the change is advisable because of the special nature of equipment which is available in a particular county.

SECTION 219. IC 6-1.1-31-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. In the

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preparation of rules, regulations, property tax forms, and property tax returns, the ~~state board of tax commissioners~~ **department of local government finance** may consider:

(1) data compiled by the federal government;

(2) data compiled by this state and its taxing authorities;

(3) data compiled and studies made by a state college or university;

(4) generally accepted practices of appraisers, including generally accepted property assessment valuation and mass appraisal principles and practices;

(5) generally accepted indices of construction costs;

(6) for assessment dates after February 28, 2001, generally accepted indices of income accruing from real property; and

(7) any other information which is available to the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 220. IC 6-1.1-31-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. When the ~~state board of tax commissioners~~ **department of local government finance** prescribes or promulgates a rule, regulation, property tax form, property tax return, notice form, or any other paper, the ~~board~~ **department** shall:

(1) send copies of it to the local taxing officials; and

(2) maintain copies of it for general distribution.

SECTION 221. IC 6-1.1-31-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The rules promulgated by the ~~state board of tax commissioners~~ **department of local government finance** are the basis for determining the true tax value of tangible property.

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

(1) comply with the rules, appraisal manuals, bulletins, and directives adopted by the ~~state board of tax commissioners;~~ **department of local government finance;**

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

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

(c) In assessing tangible property, the township assessors, members of the county property tax assessment board of appeals, and county assessors may consider factors in addition to those prescribed by the ~~state board of tax commissioners~~ **department of local government finance** if the use of the additional factors is first approved by the ~~board.~~ **department.** Each township assessor, of the county property tax

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assessment board of appeals, and the county assessor shall indicate on his records for each individual assessment whether:

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

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

SECTION 222. IC 6-1.1-31-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) With respect to the assessment of real property, the rules of the ~~state board of tax commissioners~~ **department of local government finance** shall provide for:

(1) the classification of land on the basis of:

(i) acreage;

(ii) lots;

(iii) size;

(iv) location;

(v) use;

(vi) productivity or earning capacity;

(vii) applicable zoning provisions;

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

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

(2) the classification of improvements on the basis of:

(i) size;

(ii) location;

(iii) use;

(iv) type and character of construction;

(v) age;

(vi) condition;

(vii) cost of reproduction; and

(viii) any other factor that the ~~board~~ **department** determines by rule is just and proper.

(b) With respect to the assessment of real property, the rules of the ~~state board of tax commissioners~~ **department of local government finance** shall include instructions for determining:

(1) the proper classification of real property;

(2) the size of real property;

(3) the effects that location and use have on the value of real property;

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

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(5) the cost of reproducing improvements;
(6) the productivity or earning capacity of land; and
(7) the true tax value of real property based on the factors listed in this subsection and any other factor that the ~~board~~ **department** determines by rule is just and proper.

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

SECTION 223. IC 6-1.1-31-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) With respect to the assessment of personal property, the rules of the ~~state board of tax commissioners~~ **department of local government finance** shall provide for the classification of personal property on the basis of:
(1) date of purchase;
(2) location;
(3) use;
(4) depreciation, obsolescence, and condition; and
(5) any other factor that the ~~board~~ **department** determines by rule is just and proper.

(b) With respect to the assessment of personal property, the rules of the ~~state board of tax commissioners~~ **department of local government finance** shall include instructions for determining:
(1) the proper classification of personal property;
(2) the effect that location has on the value of personal property;
(3) the cost of reproducing personal property;
(4) the depreciation, including physical deterioration and obsolescence, of personal property; and
(5) the true tax value of personal property based on the factors listed in this subsection and any other factor that the ~~board~~ **department** determines by rule is just and proper.

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

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

SECTION 224. IC 6-1.1-31-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. The ~~state board~~

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~~of tax commissioners~~ **department of local government finance** may adopt rules and regulations to govern the interchange of information with an officer or agency of another state or the United States. The ~~board~~ **department of local government finance** may, pursuant to those rules and regulations, furnish any information in its possession to such an officer or agency if the information is furnished under a reciprocal arrangement which provides that the ~~board~~ **department** shall receive like information from the officer or agency.

SECTION 225. IC 6-1.1-31-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as provided in subsection (b), the ~~state board of tax commissioners~~ **department of local government finance** may not adopt rules for the appraisal of real property in a general reassessment after July 1 of the year before the year in which the general reassessment is scheduled to begin.

(b) If rules for the appraisal of real property in a general reassessment are timely adopted under subsection (a) and are then disapproved by the attorney general for any reason under IC 4-22-2-32, the ~~board~~ **department of local government finance** may modify the rules to cure the defect that resulted in disapproval by the attorney general, and may then take all actions necessary under IC 4-22-2 to readopt and to obtain approval of the rules. This process may be repeated as necessary until the rules are approved.

SECTION 226. IC 6-1.1-31-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) The ~~state board of tax commissioners~~ **department of local government finance** shall adopt rules under IC 4-22-2 to govern the:

(1) filing of amended personal property tax returns under IC 6-1.1-3-7.5; and

(2) refunds, additional assessments, and tax payments related to an amended personal property tax return.

(b) The rules adopted under subsection (a) may provide that the tax adjustments related to an amended return shall be delayed to a year after the year in which personal property taxes related to the original personal property tax return are first due and payable.

SECTION 227. IC 6-1.1-31.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter ~~"board"~~ **"department"** means the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 228. IC 6-1.1-31.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The ~~board~~ **department** shall adopt rules under IC 4-22-2 to prescribe computer

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specification standards and for the certification of:

(1) computer operating systems;

(2) computer software;

(3) software providers;

(4) computer service providers; and

(5) computer equipment providers.

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

(1) the effective and efficient administration of assessment laws;

(2) the prompt updating of assessment data;

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

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

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

(d) The initial rules under this section must be adopted under IC 4-22-2 before January 1, 1998.

SECTION 229. IC 6-1.1-31.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. The ~~board~~ **department** shall adopt rules and procedures to provide statewide guidelines for standardized forms and notices.

SECTION 230. IC 6-1.1-31.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The ~~board~~ **department** may revoke a certification issued under section 2 of this chapter for at least three (3) years if it determines:

(1) that information given by an applicant was false; or

(2) the product, provider, or service certified does not meet the minimum requirements of the ~~board.~~ **department.**

(b) If a certification is revoked, any Indiana contract that the provider has is void and the contractor may not receive any additional funds under the contract.

(c) An individual at least eighteen (18) years of age who resides in Indiana and any corporation that satisfies the requirements of this chapter and the rules of the ~~board~~ **department** may be certified as:

(1) a software or computer operating system provider;

(2) a service provider; or

(3) a computer equipment provider.

(d) A person may not sell, buy, trade, exchange, option, lease, or rent computer operating systems, software, computer equipment, or service to a county under this chapter without a certification from the

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~~state board of tax commissioners.~~ **department.**

(e) A contract for computer software, computer equipment, a computer operating program or computer system service providers under this chapter must contain a provision specifying that the contract is void if the provider's certification is revoked.

(f) The ~~board~~ **department** may not limit the number of systems or providers certified by this chapter so long as the system or provider meets the specifications or standards of the ~~board.~~ **department.**

SECTION 231. IC 6-1.1-31.7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, ~~"board"~~ **"department"** means the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 232. IC 6-1.1-31.7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The ~~board~~ **department** shall adopt rules under IC 4-22-2 for the certification and regulation of appraisers.

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

(1) Minimum appraiser qualifications.

(2) Minimum appraiser certification, training, and recertification requirements.

(3) Sanctions for noncompliance with assessing laws and the rules of the ~~board,~~ **department,** including laws and rules that set time requirements for the completion of assessments.

(4) Appraiser contract requirements.

(5) Other provisions necessary to carry out the administration of the property tax assessment laws.

(c) After December 31, 1998, a county or township may contract only with appraisers that are certified by the ~~board~~ **department** under the rules described in subsection (a).

SECTION 233. IC 6-1.1-31.7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The ~~board~~ **department** may revoke a certification issued under the rules adopted under section 3 of this chapter for at least three (3) years if it determines:

(1) that information given by an appraiser applicant was false; or

(2) the appraiser fails to meet the minimum requirements of the ~~board.~~ **department.**

(b) If a certification is revoked, any Indiana contract that the appraiser has is void and the contractor may not receive any additional funds under the contract.

(c) An individual at least eighteen (18) years of age who resides in

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Indiana and any corporation that satisfies the requirements of this chapter and the rules of the ~~board~~ **department** may be certified as an appraiser.

(d) A contract for an appraiser under this chapter must contain a provision specifying that the contract is void if the appraiser's certification is revoked.

(e) The ~~board~~ **department** may not limit the number of appraisers certified by this chapter so long as the appraiser meets the specifications or standards of the ~~board.~~ **department.**

SECTION 234. IC 6-1.1-33-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. A division of the ~~state board of tax commissioners~~ **department of local government finance** is hereby established. This division shall be known as the "division of tax review".

SECTION 235. IC 6-1.1-33-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The division of tax review shall:

(1) conduct continuing studies in the areas in which the ~~state board of tax commissioners~~ **department of local government finance** operates;

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

(3) make test checks of property valuations; and

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

SECTION 236. IC 6-1.1-33-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The division of tax review shall annually determine the variance between:

(1) the total assessed valuation of the property within each assessing district; and

(2) the total true tax value that the ~~state board of tax commissioners~~ **department of local government finance** determines would result if the property within the assessing district were valued in the manner provided by law.

The division's determination must be based on a statistically valid assessment ratio study. The division shall compute and publish the coefficient of dispersion for each assessing district. The coefficient of dispersion shall be published one (1) time in accordance with

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IC 5-3-1-2(g) at the direction of the ~~state board of tax commissioners.~~ **department of local government finance.**

(b) If part or all of the property in an assessing district is not substantially valued at true tax value, the ~~state board of tax commissioners~~ **department of local government finance** shall take action under IC 6-1.1-4-9, IC 6-1.1-14-5, or IC 6-1.1-35-13 to correct the misvaluation of property.

SECTION 237. IC 6-1.1-34-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. Each year in which a general assessment of real property becomes effective, the ~~state board of tax commissioners~~ **department of local government finance** shall compute a new assessment ratio for each ~~shcool~~ **school** corporation and a new state average assessment ratio. In all other years, the ~~board~~ **department** may compute a new assessment ratio for a school corporation and a new state average assessment ratio if the ~~board~~ **department** finds that there has been sufficient reassessment of one (1) or more classes of property in the school district. When the ~~state board of tax commissioners~~ **department of local government finance** computes a new assessment ratio for a school corporation, the ~~board~~ **department** shall publish the new ratio.

SECTION 238. IC 6-1.1-34-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. A school corporation's assessment ratio for a particular year equals:

(1) the total assessed valuation of the property within the school district; divided by

(2) the total true tax value which the ~~state board of tax commissioners~~ **department of local government finance** determines would result if the property within the school district were valued in the manner provided by law.

SECTION 239. IC 6-1.1-34-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The state average assessment ratio for a particular year equals:

(1) the sum of the assessed valuations of the property within all the school corporations of this state; divided by

(2) the sum of the true tax values which the ~~state board of tax commissioners~~ **department of local government finance** determines would result if the property within all the school corporations of this state were valued in the manner provided by law.

SECTION 240. IC 6-1.1-34-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. In order to compute the assessment ratio for a school corporation, the ~~state board~~

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~~of tax commissioners~~ **department of local government finance** shall first make a random sampling of the assessed values and true tax values of the following classes of real and personal property:

(1) Residential.

(2) Farm.

(3) Commercial.

(4) Industrial.

SECTION 241. IC 6-1.1-34-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. When computing the assessment ratio for a school corporation, the ~~state board of tax commissioners~~ **department of local government finance** shall weight the ratio to reflect the relative importance of each class of property within the school district. Before calculating a school corporation's assessment ratio, the ~~state board of tax commissioners~~ **department of local government finance** shall discuss the weight to be given to each class of property with:

(1) residents of the school district; and

(2) elected officials or other individuals who are familiar with the economic base of the school district.

SECTION 242. IC 6-1.1-34-6, AS AMENDED BY P.L.273-1999, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) After the ~~state board of tax commissioners~~ **department of local government finance** calculates a new assessment ratio for a school corporation and before publishing the new ratio, the ~~board~~ **department** shall send a notice of the new assessment ratio to the county auditor, the county assessor, and the governing body of the school corporation. The ~~state board of tax commissioners~~ **department of local government finance** shall send these notices before March 2 of each year in which the ~~board~~ **department** calculates a new assessment ratio for the school corporation.

(b) Within thirty (30) days after notification of a new assessment ratio, the county auditor, the county assessor, or the governing body of the school corporation may:

(1) examine and verify the ~~state board of tax commissioners'~~ data **of the department of local government finance;** and

(2) make suggestions concerning the values established by the ~~board.~~ **department.**

(c) Before April 15 of each year in which the ~~board~~ **department of local government finance** calculates a new assessment ratio for the school corporation, the ~~state board of tax commissioners~~ **department** shall publish the new assessment ratio.

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SECTION 243. IC 6-1.1-34-7, AS AMENDED BY P.L.273-1999, SECTION 131, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. Each year in which the ~~state board of tax commissioners~~ **department of local government finance** computes a new assessment ratio for a school corporation, the ~~board~~ **department** shall also compute a new adjustment factor for the school corporation. If the school corporation's assessment ratio for a year is more than ninety-nine percent (99%) but less than one hundred one percent (101%) of the state average assessment ratio for that year, the school corporation's adjustment factor is the number one (1). In all other cases, the school corporation's adjustment factor equals (1) the state average assessment ratio for a year, divided by (2) the school corporation's assessment ratio for that year. The ~~state board of tax commissioners~~ **department of local government finance** shall notify the school corporation of its new adjustment factor before March 2 of the year in which the ~~board~~ **department** calculates the new adjustment factor.

SECTION 244. IC 6-1.1-34-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. In order to perform the duties assigned to it under this chapter, the ~~state board of tax commissioners:~~ **department of local government finance:**

(1) shall conduct continuing studies of all property which is subject to assessment in this state;

(2) may request access to all local and state official records;

(3) may secure information from the federal government or from public or private agencies;

(4) may inspect a person's books, records, or property if the item is relevant to information which the ~~board~~ **department** needs in order to implement this chapter; and

(5) may adopt appropriate forms and procedures.

SECTION 245. IC 6-1.1-34-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. If a state or local official or employee does not give the ~~state board of tax commissioners~~ **department of local government finance** access to official records which the ~~board~~ **department** has asked to examine under section 9(2) of this chapter, the official's or employee's action is evidence of misconduct in the office or position which ~~he~~ **the official or employee** holds.

SECTION 246. IC 6-1.1-34-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. Information which the ~~state board of tax commissioners~~ **department of local government finance** has obtained from the federal government or a

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public agency under section 9(3) of this chapter is subject to the provider's rules and regulations, if any, which concern the confidential nature of the information. In addition, the information compiled by the ~~board~~ **department** under this chapter is confidential until publication of the assessment ratio and then loses its confidential character only to the extent that it is used in determining the ratio.

SECTION 247. IC 6-1.1-35-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The ~~state board of tax commissioners~~ **department of local government finance** shall:

(1) interpret the property tax laws of this state;

(2) instruct property tax officials about their taxation and assessment duties and ensure that the county assessors, township assessors, and assessing officials are in compliance with section 1.1 of this chapter;

(3) see that all property assessments are made in the manner provided by law; and

(4) develop and maintain a manual for all assessing officials and county assessors concerning:

(A) assessment duties and responsibilities of the various state and local officials;

(B) assessment procedures and time limits for the completion of assessment duties;

(C) changes in state assessment laws; and

(D) other matters relevant to the assessment duties of assessing officials, county assessors, and other county officials.

SECTION 248. IC 6-1.1-35-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. At least one (1) ~~member or~~ representative of the ~~state board of tax commissioners~~ **department of local government finance** shall visit each county in this state at least once each year. During the visit, the ~~member or~~ representative of the ~~board~~ **department** shall:

(1) gather information concerning complaints with and the operation of the property tax laws;

(2) see that property tax officials are complying with this article; and

(3) see that persons who violate this article are being punished.

SECTION 249. IC 6-1.1-35-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The ~~state board of tax commissioners~~ **department of local government finance** may require township assessors, county assessors, or members of the county property tax assessment board of appeals, county auditors, and

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their employees to attend instructional sessions held by the ~~board~~ **department** or held by others but approved by the ~~board.~~ **department.** An assessing official, or an employee who is required to attend an instructional session or who, at the ~~board's~~ **department's** request, meets with the ~~board~~ **department** on official business shall receive:

(1) a lodging allowance for each night preceding session attendance not less than the lodging allowance equal to the lesser of:

(A) the cost of a standard room rate at the hotel where the session is held; or

(B) the actual cost of lodging paid;

(2) a subsistence allowance for meals for each day in attendance not less than the subsistence allowance for meals paid to state employees in travel status, but not more than the maximum subsistence allowance permitted under the regulations of the General Services Administration for federal employees in travel status, as reported in the Federal Register;

(3) a mileage allowance equal to that sum per mile paid to state officers and employees. The rate per mile shall change each time the state government changes its rate per mile; and

(4) an allowance equal to the cost of parking at the convention site.

The amount a county assessor, a township assessor, a member of a county property tax assessment board of appeals, or an employee shall receive under subdivision (2) shall be established by the county fiscal body.

(b) If a county assessor, a township assessor, a member of a county property tax assessment board of appeals, or an employee is entitled to receive an allowance under this section, the ~~state board of tax commissioners~~ **department of local government finance** shall furnish the appropriate county auditor with a certified statement which indicates the dates of attendance. The official or employee may file a claim for payment with the county auditor. The county treasurer shall pay the warrant from the county general fund from funds not otherwise appropriated.

(c) In the case of one (1) day instructional sessions, a lodging allowance may be paid only to persons who reside more than fifty (50) miles from the session location. Regardless of the duration of the session, and even though more than one (1) person may have been transported, only one (1) mileage allowance may be paid to an official or employee furnishing the conveyance.

SECTION 250. IC 6-1.1-35-5 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. If a township assessor does not perform his duties in a competent manner, the county assessor shall, in a written report, inform the ~~state board of tax commissioners~~ **department of local government finance** of that fact.

SECTION 251. IC 6-1.1-35-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) The ~~state board of tax commissioners~~ **department of local government finance** may prepare a report, plat, or other property tax record if an official:

(1) fails to make a report which is required under the general assessment provisions of this article; or

(2) fails to deliver a plat or other property tax record to the appropriate officer or board.

~~The state board of tax commissioners may appoint a special representative to prepare the report, plat, or property tax record for the board.~~

(b) If the ~~state board of tax commissioners~~ **department of local government finance** prepares a report, plat, or property tax record, the ~~board~~ **department** shall certify the expenses incurred by the ~~board, or by a special representative of the board,~~ **department** to the township or county which is served by the official who failed to perform ~~his~~ **the** duty. The township or county shall pay the amount of the expenses to the state treasurer within thirty (30) days after the ~~board's~~ **department's** certification. The township or county may collect amounts which it pays under this section from the official who failed to perform ~~his~~ **the** duty.

SECTION 252. IC 6-1.1-35.2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The ~~state board of tax commissioners~~ **department of local government finance** shall provide training to the members of the county property tax assessment boards of appeals, and the county, township, and trustee assessors (referred to in this chapter as assessing officials) as provided in this chapter.

SECTION 253. IC 6-1.1-35.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The ~~state board of tax commissioners~~ **department of local government finance** shall conduct an assessor-appraiser examination and certification program.

SECTION 254. IC 6-1.1-35.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The ~~state board of tax commissioners~~ **department of local government finance** shall design two (2) assessor-appraiser examinations, to be called "level one" and "level two". All citizens of Indiana are eligible to apply for and to be examined under "level one" and "level two" examinations, subject

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only to the resources and limitations of the ~~state board of tax commissioners~~ **department of local government finance** in conducting the examinations. Both examinations should cover the subjects of real estate appraising, accounting, and property tax law. Successful performance on the level one examination requires the minimum knowledge needed for effective performance as a county or township assessor under this article. Success on the level two examination requires substantial knowledge of the subjects covered in the examination.

SECTION 255. IC 6-1.1-35.5-4, AS AMENDED BY P.L.198-2001, SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The level one examination shall be given in July, and the level two examination shall be given in August. Both level examinations also shall be offered annually immediately following the conference of **the** department of local government finance and at any other times that coordinate with training sessions conducted under IC 6-1.1-35.2-2. The department of local government finance may also give either or both examinations at other times throughout the year.

(b) Examinations shall be held each year, at the times prescribed in subsection (a), in Indianapolis and at not less than four (4) other convenient locations chosen by the department of local government finance.

(c) The department of local government finance may not limit the number of individuals who take the examination and shall provide an opportunity for all enrollees at each session to take the examination at that session.

SECTION 256. IC 6-1.1-35.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The ~~state board of tax commissioners~~ **department of local government finance** shall establish a fair and reasonable fee for examination and certification under this chapter. However, the fee does not apply to an elected assessing official, a county assessor, a member of, and hearing officers for, a county property tax assessment board of appeals, or an employee of an elected assessing official, county assessor , or county property tax assessment board of appeals who is taking the level one examination or the level two examination for the first time.

(b) The assessing official training account is established as an account within the state general fund. All fees collected by the ~~state board of tax commissioners~~ **department of local government finance** shall be deposited in the account. The account shall be administered by the ~~state board of tax commissioners~~ **department of local government**

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finance and does not revert to the state general fund at the end of a fiscal year. The ~~state board of tax commissioners~~ **department of local government finance** may use money in the account for testing and training of assessing officials, county assessors, members of a county property tax assessment board of appeals, and employees of assessing officials, county assessors, or the county property tax assessment board of appeals.

SECTION 257. IC 6-1.1-35.5-8, AS AMENDED BY P.L.198-2001, SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. The ~~state board of tax commissioners~~ **department of local government finance** may adopt rules under IC 4-22-2 to implement this chapter. The ~~state board of tax commissioners~~ **department of local government finance** shall adopt rules to set:

(1) minimum requirements for initial certification after December 31, 1998, under this chapter;

(2) continuing education requirements for the renewal of a certification after December 31, 1998, under this chapter; and

(3) procedures for renewing a certification issued under this chapter, including a certification issued before January 1, 1999, for a person who meets the certification requirements set under subdivision (2).

The rules must also establish procedures for disciplinary action against a certificate holder that fails to comply with the statutes or rules applicable to the certificate holder. The rules adopted under subdivisions (2) and (3) may not require testing to renew or maintain a certification under this chapter.

SECTION 258. IC 6-1.1-35.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. This chapter does not apply to elected assessing officials. The ~~state board of tax commissioners~~ **department of local government finance** may not adopt rules requiring elected assessing officials to take an examination or obtain certification under this chapter.

SECTION 259. IC 6-1.1-36-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) An assessing official, a county assessor, a member of a county property tax assessment board of appeals, or a ~~member~~ **representative** of the ~~state board of tax commissioners~~ **department of local government finance** may file an affidavit with a circuit court of this state if:

(1) the official or board member or a representative of the official or board has requested that a person give information or produce books or records; and

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(2) the person has not complied with the request.

The affidavit must state that the person has not complied with the request.

(b) When an affidavit is filed under subsection (a), the circuit court shall issue a writ which directs the person to appear at the office of the official or board member and to give the requested information or produce the requested books or records. The appropriate county sheriff shall serve the writ. ~~If~~ A person **who** disobeys the writ ~~he~~ is guilty of contempt of court.

(c) If a writ is issued under this section, the cost incurred in filing the affidavit, in the issuance of the writ, and in the service of the writ shall be charged to the person against whom the writ is issued. If a writ is not issued, all costs shall be charged to the county in which the circuit court proceedings are held, and the board of commissioners of that county shall allow a claim for the costs.

SECTION 260. IC 6-1.1-36-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The ~~state board of tax commissioners~~ **department of local government finance** may cancel any property taxes assessed against real property owned by a county, township, city, or town if a petition requesting that the ~~board~~ **department** cancel the taxes is submitted by the auditor, assessor, and treasurer of the county in which the real property is located.

(b) The ~~state board of tax commissioners~~ **department of local government finance** may cancel any property taxes assessed against real property owned by this state if a petition requesting that the ~~board~~ **department** cancel the taxes is submitted by:

(1) the governor; or

(2) the chief administrative officer of the state agency which supervises the real property.

However, if the petition is submitted by the chief administrative officer of a state agency, the governor must approve the petition.

(c) The ~~state board of tax commissioners~~ **department of local government finance** may compromise the amount of property taxes, together with any interest or penalties on those taxes, assessed against the fixed or distributable property owned by a bankrupt railroad, which is under the jurisdiction of:

(1) a federal court under 11 U.S.C. 1163;

(2) Chapter X of the Acts of Congress Relating to Bankruptcy (11 U.S.C. 701-799); or

(3) a comparable bankruptcy law.

(d) After making a compromise under subsection (c) and after receiving payment of the compromised amount, the ~~state board of tax~~

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~~commissioners~~ **department of local government finance** shall distribute to each county treasurer an amount equal to the product of:

(1) the compromised amount; multiplied by

(2) a fraction, the numerator of which is the total of the particular county's property tax levies against the railroad for the compromised years, and the denominator of which is the total of all property tax levies against the railroad for the compromised years.

(e) After making the distribution under subsection (d), the ~~state board of tax commissioners~~ **department of local government finance** shall direct the auditors of each county to remove from the tax rolls the amount of all property taxes assessed against the bankrupt railroad for the compromised years.

(f) The county auditor of each county receiving money under subsection (d) shall allocate that money among the county's taxing districts. The auditor shall allocate to each taxing district an amount equal to the product of:

(1) the amount of money received by the county under subsection (d); multiplied by

(2) a fraction, the numerator of which is the total of the taxing district's property tax levies against the railroad for the compromised years, and the denominator of which is the total of all property tax levies against the railroad in that county for the compromised years.

(g) The money allocated to each taxing district shall be apportioned and distributed among the taxing units of that taxing district in the same manner and at the same time that property taxes are apportioned and distributed.

(h) The ~~state board of tax commissioners~~ **department of local government finance** may, with the approval of the attorney general, compromise the amount of property taxes, together with any interest or penalties on those taxes, assessed against property owned by a person that has a case pending under state or federal bankruptcy law. Property taxes that are compromised under this section shall be distributed and allocated at the same time and in the same manner as regularly collected property taxes. The ~~state board of tax commissioners~~ **department of local government finance** may compromise property taxes under this subsection only if:

(1) a petition is filed with the ~~state board of tax commissioners~~ **department of local government finance** that requests the compromise and that is signed and approved by the assessor, auditor, and treasurer of each county, and the assessor of each

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township, that is entitled to receive any part of the compromised taxes;

(2) the compromise significantly advances the time of payment of the taxes; and

(3) the compromise is in the best interest of the state and the taxing units that are entitled to receive any part of the compromised taxes.

(i) A taxing unit that receives funds under this section is not required to include the funds in its budget estimate for any budget year which begins after the budget year in which it receives the funds.

(j) A county treasurer, with the consent of the county auditor and the county assessor, may compromise the amount of property taxes, interest, or penalties owed in a county by an entity that has a case pending under Title 11 of the United States Code (Bankruptcy Code) by accepting a single payment that must be at least seventy-five percent (75%) of the total amount owed in the county.

SECTION 261. IC 6-1.1-37-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) If a person fails to file a required personal property return on or before the due date, the county auditor shall add a penalty of twenty-five dollars ($25) to the person's next property tax installment. The county auditor shall also add an additional penalty to the taxes payable by the person if he fails to file the personal property return within thirty (30) days after the due date. The amount of the additional penalty is twenty percent (20%) of the taxes finally determined to be due with respect to the personal property which should have been reported on the return.

(b) For purposes of this section, a personal property return is not due until the expiration of any extension period granted by the township assessor under IC 6-1.1-3-7(b).

(c) The penalties prescribed under this section do not apply to an individual or his dependents if he:

(1) is in the military or naval forces of the United States on the assessment date; and

(2) is covered by the federal Soldiers' and Sailors' Civil Relief Act.

(d) If a person subject to IC 6-1.1-3-7(d) fails to include on a personal property return the information, if any, that the ~~state board of tax commissioners~~ **department of local government finance** requires under IC 6-1.1-3-9 or IC 6-1.1-5-13, the county auditor shall add a penalty to the property tax installment next due for the return. The amount of the penalty is twenty-five dollars ($25).

(e) If the total assessed value that a person reports on a personal

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property return is less than the total assessed value that the person is required by law to report and if the amount of the undervaluation exceeds five percent (5%) of the value that should have been reported on the return, then the county auditor shall add a penalty of twenty percent (20%) of the additional taxes finally determined to be due as a result of the undervaluation. The penalty shall be added to the property tax installment next due for the return on which the property was undervalued. If a person has complied with all of the requirements for claiming a deduction, an exemption, or an adjustment for abnormal obsolescence, then the increase in assessed value that results from a denial of the deduction, exemption, or adjustment for abnormal obsolescence is not considered to result from an undervaluation for purposes of this subsection.

(f) A penalty is due with an installment under subsection (a), (d), or (e) whether or not an appeal is filed under IC 6-1.1-15-5 with respect to the tax due on that installment.

SECTION 262. IC 6-1.1-37-10, AS AMENDED BY P.L.154-1999, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) If an installment of property taxes is not completely paid on or before the due date, a penalty equal to ten percent (10%) of the amount of delinquent taxes shall be added to the unpaid portion in the year of the initial delinquency. On the day immediately following the due dates in May and November of each year following the year of the initial delinquency, an additional penalty equal to ten percent (10%) of any taxes remaining unpaid shall be added. These penalties are imposed only on the principal amount of the delinquent taxes. However, if the ~~state board of tax commissioners~~ **department of local government finance** determines that an emergency has occurred which precludes the mailing of the tax statement in any county at the time set forth in IC 6-1.1-22-8, the ~~board~~ **department** shall establish by order a new date on which the installment of taxes in that county is due and no installment is delinquent if paid by the date so established.

(b) If any due date falls on a Saturday, a Sunday, a national legal holiday recognized by the federal government, or a statewide holiday, the act that must be performed by that date is timely if performed by the next succeeding day that is not a Saturday, a Sunday, or one (1) of those holidays.

(c) A payment to the county treasurer is considered to have been paid by the due date if the payment is:

(1) received on or before the due date to the county treasurer or a collecting agent appointed by the county treasurer;

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(2) deposited in the United States mail:
(A) properly addressed to the principal office of the county treasurer;
(B) with sufficient postage; and
(C) certified or postmarked by the United States postal service as mailed on or before the due date; ~~(as defined in this section);~~ or
(3) deposited with a nationally recognized express parcel carrier and is:
(A) properly addressed to the principal office of the county treasurer; and
(B) verified by the express parcel carrier as:
(i) paid in full for final delivery; and
(ii) received on or before the due date. ~~(as defined in this section).~~

For purposes of this subsection, "postmarked" does not mean the date printed by a postage meter that affixes postage to the envelope or package containing a payment.

SECTION 263. IC 6-1.1-38-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The ~~tax commissioners'~~ agricultural advisory council is established to advise the ~~state board of tax commissioners~~ **department of local government finance** concerning the assessment of land used for agricultural purposes.

SECTION 264. IC 6-1.1-38-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The ~~tax commissioners'~~ agricultural advisory council shall be composed of eleven (11) members. The governor shall appoint the council members to serve one (1) year terms that begin two (2) years before the commencement of each general reassessment. No more than six (6) of the council members may belong to the same political party.

SECTION 265. IC 6-1.1-38-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Of the eleven (11) members of the ~~tax commissioners'~~ agricultural advisory council:
(1) one (1) member must represent the agricultural property owners of this state;
(2) one (1) member must represent the commercial property owners of this state;
(3) one (1) member must represent the residential property owners of this state;
(4) one (1) member must be a township assessor who does not hold office in a county that is already represented on the council;

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(5) one (1) member must be a township trustee who performs assessing duties and who does not hold office in a county that is already represented on the council;

(6) one (1) member must be a county assessor who does not hold office in a county that is already represented on the council;

(7) one (1) member must represent a farmers' organization in this state;

(8) one (1) member must be a member of the senate of the Indiana general assembly;

(9) one (1) member must be a member of the house of representatives of the Indiana general assembly;

(10) one (1) member must represent the Agriculture Stabilization and Conservation Service of the United States Department of Agriculture; and

(11) one (1) member must be an employee of a state university in Indiana with expertise in agricultural sciences.

(b) Before appointing any township assessors to the ~~tax commissioners'~~ advisory council under subsection (a)(4), the governor shall give consideration to any recommendations made by the Indiana assessors' association.

(c) Before appointing a township trustee to the ~~tax commissioners'~~ advisory council under subsection (a)(5), the governor shall give consideration to any recommendations made by the Indiana trustees' association.

(d) Before appointing a county assessor to the ~~tax commissioners'~~ advisory council under subsection (a)(6), the governor shall give consideration to any recommendations made by the Indiana county assessors' association.

SECTION 266. IC 6-1.1-38-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. Six (6) members of the ~~tax commissioners'~~ agricultural advisory council constitute a quorum for the transaction of business. Each member has one (1) vote. The council may take action only by a majority vote of the members who are present.

SECTION 267. IC 6-1.1-38-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The ~~tax commissioners'~~ agricultural advisory council shall meet two (2) years before the commencement of each general reassessment. In addition, the council shall meet at the call of its presiding officer. The ~~state board of tax commissioners~~ **department of local government finance** shall provide the council with a meeting room and clerical assistance.

SECTION 268. IC 6-1.1-38-6 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The ~~tax commissioners'~~ agricultural advisory council shall elect a presiding officer, and the council may elect other officers. The council may prescribe in its bylaws the duties and terms of office of its officers.

SECTION 269. IC 6-1.1-38-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. The agricultural advisory council shall advise the ~~state board of tax commissioners~~ **department of local government finance** regarding the valuation of land for property tax purposes at least one (1) year before the commencement of a general reassessment. The agricultural advisory council shall hold hearings and meetings that it deems necessary to gather evidence concerning the valuation, and may request advice and information from any person or entity.

SECTION 270. IC 6-1.1-38-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. The ~~tax commissioners'~~ agricultural advisory council has only advisory responsibilities. The council does not have the power to alter, amend, or repeal a decision, rule, or regulation of the ~~state board of tax commissioners.~~ **department of local government finance.** The ~~state board of tax commissioners~~ **department of local government finance** shall consider the opinions of the council members; however, the ~~board~~ **department** is not bound by their opinions. This chapter does not restrain the ~~state board of tax commissioners~~ **department of local government finance** from consulting with other persons when the ~~board~~ **department** is developing rules, regulations, or policies.

SECTION 271. IC 6-1.1-38-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. The members of the ~~tax commissioners'~~ agricultural advisory council may, subject to the approval of the governor and the state budget agency, receive mileage and per diem allowances.

SECTION 272. IC 6-1.1-39-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A declaratory ordinance adopted under section 2 of this chapter and confirmed under section 3 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. The allocation provision must apply to the entire economic development district. The allocation provisions must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the economic development district be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of

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the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units. However, if the effective date of the allocation provision of a declaratory ordinance is after March 1, 1985, and before January 1, 1986, and if an improvement to property was partially completed on March 1, 1985, the unit may provide in the declaratory ordinance that the taxes attributable to the assessed value of the property as finally determined for March 1, 1984, shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, part or all of the property tax proceeds in excess of those described in subdivision (1), as specified in the declaratory ordinance, shall be allocated to the unit for the economic development district and, when collected, paid into a special fund established by the unit for that economic development district that may be used only to pay the principal of and interest on obligations owed by the unit under IC 4-4-8 for the financing of industrial development programs in, or serving, that economic development district. The amount not paid into the special fund shall be paid to the respective units in the manner prescribed by subdivision (1).

(3) When the money in the fund is sufficient to pay all outstanding principal of and interest (to the earliest date on which the obligations can be redeemed) on obligations owed by the unit under IC 4-4-8 for the financing of industrial development programs in, or serving, that economic development district, money in the special fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subdivision (1).

(b) Property tax proceeds allocable to the economic development district under subsection (a)(2) must, subject to subsection (a)(3), be irrevocably pledged by the unit for payment as set forth in subsection (a)(2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the economic development district that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory ordinance is the lesser of:

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(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Notwithstanding any other law, each assessor shall, upon petition of the fiscal body, reassess the taxable property situated upon or in, or added to, the economic development district effective on the next assessment date after the petition.

(e) Notwithstanding any other law, the assessed value of all taxable property in the economic development district, for purposes of tax limitation, property tax replacement (except as provided in IC 6-1.1-21-3(c), IC 6-1.1-21-4(a)(3), and IC 6-1.1-21-5(c)), and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(f) The state board of accounts and ~~state board of tax commissioners~~ **department of local government finance** shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the ~~state board of tax commissioners~~ **department of local government finance** shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1.

(g) As used in this section, "property taxes" means:

(1) taxes imposed under this article on real property; and

(2) any part of the taxes imposed under this article on depreciable personal property that the unit has by ordinance allocated to the economic development district. However, the ordinance may not limit the allocation to taxes on depreciable personal property with any particular useful life or lives.

If a unit had, by ordinance adopted before May 8, 1987, allocated to an economic development district property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the ordinance continues in effect until an ordinance is adopted by the unit under subdivision (2).

(h) As used in this section, "base assessed value" means:

(1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as

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adjusted under subsection (f); plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the ~~state board of tax commissioners,~~ **department of local government finance,** as finally determined for any assessment date after the effective date of the allocation provision.

Subdivision (2) applies only to economic development districts established after June 30, 1997, and to additional areas established after June 30, 1997.

SECTION 273. IC 6-1.1-40-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Before a person acquires new manufacturing equipment for which the person wishes to claim a deduction under this chapter, the person must submit to the commission a statement of benefits, in a form prescribed by the ~~state board of tax commissioners.~~ **department of local government finance.** The statement of benefits must include the following information:

(1) A description of the new manufacturing equipment and inventory that the person proposes to acquire.

(2) An estimate of the number of individuals that will be employed or whose employment will be retained by the person as a result of the installation of the new manufacturing equipment and acquisition of inventory and an estimate of the annual salaries of these individuals.

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

(b) The statement of benefits may contain any other information required by the commission. If the person is requesting or will be requesting the designation of a district, the statement of benefits must be submitted at the same time as the request for designation is submitted.

(c) The commission shall review the statement of benefits if required under subsection (b). The commission shall make findings determining whether the estimate of:

(1) the number of individuals that will be employed or whose employment will be retained;

(2) the annual salaries of those individuals;

(3) the value of the new manufacturing equipment and inventory; and

(4) any other benefits about which the commission requires information;

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are benefits that can be reasonably expected to result from the installation of the new manufacturing equipment and acquisition of inventory.

SECTION 274. IC 6-1.1-41-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A political subdivision that decides to establish a fund under this chapter must:

(1) give notice of the proposal to the affected taxpayers; and

(2) hold a public hearing on the proposal;

before presenting the proposal to the ~~state board of tax commissioners~~ **department of local government finance** for approval.

(b) Notice of the proposal and of the public hearing shall be given by publication in accordance with IC 5-3-1.

(c) For a cumulative fund authorized under IC 3-11-6 or IC 8-10-5-17, the political subdivision imposing a property tax levy shall post a notice of the proposal and the public hearing in three (3) public places in the political subdivision.

(d) A notice required by this section must describe the tax levy that will be imposed for the fund.

SECTION 275. IC 6-1.1-41-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. A political subdivision that in any year adopts a proposal under this chapter must submit the proposal to the ~~state board of tax commissioners~~ **department of local government finance** before August 2 of that year.

SECTION 276. IC 6-1.1-41-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The ~~state board of tax commissioners~~ **department of local government finance** shall require that a notice of submission under section 3 of this chapter be given to the taxpayers of the county. The notice shall be published in one (1) publication and posted in the same manner as required by section 3 of this chapter.

SECTION 277. IC 6-1.1-41-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. Not later than noon thirty (30) days after the publication of the notice required by section 3 of this chapter:

(1) at least ten (10) taxpayers in the taxing district, if the fund is authorized under IC 8-10-5-17, IC 8-16-3-1, IC 8-16-3.1-4, IC 14-27-6-48, IC 14-33-21-2, IC 36-8-14-2, IC 36-9-4-48, or IC 36-10-4-36;

(2) at least twenty (20) taxpayers in a county served by a hospital, if the fund is authorized under IC 16-22-4-1;

(3) at least thirty (30) taxpayers in a tax district, if the fund is

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authorized under IC 36-10-3-21 or IC 36-10-7.5-19;

(4) at least fifty (50) taxpayers in a municipality, if subdivision (1), (2), (3), or (5) does not apply; or

(5) at least one hundred (100) taxpayers in the county, if the fund is authorized by IC 3-11-6;

may file a petition with the county auditor stating their objections to an action described in section 2 of this chapter. Upon the filing of the petition, the county auditor shall immediately certify the petition to the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 278. IC 6-1.1-41-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The ~~state board of tax commissioners~~ **department of local government finance** shall within a reasonable time fix a date for a hearing on a petition filed under section 6 of this chapter.

(b) For a cumulative fund authorized under IC 3-11-6 or IC 36-9-4-48, the hearing must be held in the county affected by the proposed action.

SECTION 279. IC 6-1.1-41-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. The ~~state board of tax commissioners~~ **department of local government finance** shall give notice of the hearing required by section 7 of this chapter to:

(1) the county auditor; and

(2) the first ten (10) taxpayers whose names appear on the petition.

The notice must be given by letter signed by the ~~secretary or any member of the state board of tax commissioners~~ **commissioner or deputy commissioner of the department of local government fiancne** and sent by mail with prepaid postage to the auditor and the taxpayers at their usual place of residence at least five (5) days before the date fixed for the hearing.

SECTION 280. IC 6-1.1-41-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. After a hearing upon a proposal, the ~~state board of tax commissioners~~ **department of local government finance** shall certify approval, disapproval, or modification of the proposal to the county auditor. The action of the ~~state board of tax commissioners~~ **department of local government finance** with respect to the proposed levy is final and conclusive.

SECTION 281. IC 6-1.1-41-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. At least:

(1) ten (10) taxpayers in the tax district, if the fund is authorized under IC 8-10-5-17, IC 8-16-3-1, IC 8-16-3.1-4, IC 14-27-6-48,

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IC 14-33-21-2, IC 16-22-4-3, IC 36-8-14-2, IC 36-9-4-48, or IC 36-10-4-36; or

(2) fifty (50) taxpayers in the area where a property tax for a fund is imposed, if subdivision (1) does not apply;

may file with the county auditor, by noon August 1 of a year, a petition for reduction or revision of the levy approved under this chapter. The petition must state the taxpayers' objections to the levy. The county auditor shall certify the petition to the ~~state board of tax commissioners,~~ **department of local government finance,** and the same procedure for notice and hearing must be followed that was required for the original levy. After a hearing on the petition, the ~~state board of tax commissioners~~ **department of local government finance** may confirm, reduce, or rescind the levy. The ~~board's~~ **department of local government finance's** action is final and conclusive.

SECTION 282. IC 6-1.1-42-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A person may apply to a designating body to designate an area as a brownfield revitalization zone.

(b) An application under this section must:

(1) be submitted to the designating body before the initiation of a voluntary remediation under IC 13-25-5;

(2) include sufficient information for the designating body to declare the area a zone; and

(3) be in the form prescribed by the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 283. IC 6-1.1-42-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) A person may apply for an assessed valuation deduction for:

(1) real property; and

(2) personal property, other than inventory (as defined in IC 6-1.1-3-11);

located in an area designated as a brownfield revitalization zone.

(b) An application for a deduction for an improvement to a brownfield revitalization zone or personal property located in a brownfield revitalization area must:

(1) be submitted to the designating body before the date that the improvement is initiated or, if the deduction is for personal property, the property is brought into the area;

(2) contain sufficient information for the designating body to approve the deduction; and

(3) be submitted in the form prescribed by the ~~state board of tax commissioners.~~ **department of local government finance.**

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SECTION 284. IC 6-1.1-42-27, AS AMENDED BY P.L.119-1999, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27. (a) A property owner who desires to obtain the deduction provided by section 24 of this chapter must file a certified deduction application, on forms prescribed by the ~~state board of tax commissioners,~~ **department of local government finance,** with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (e), the deduction application must be filed before May 10 of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before April 10 of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The certified deduction application required by this section must contain the following information:

(1) The name of each owner of the property.

(2) A certificate of completion of a voluntary remediation under IC 13-25-5-16.

(3) Proof that each owner who is applying for the deduction:

(A) has never had an ownership interest in an entity that contributed; and

(B) has not contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management.

(4) Proof that the deduction was approved by the appropriate designating body.

(5) A description of the property for which a deduction is claimed in sufficient detail to afford identification.

(6) The assessed value of the improvements before remediation and redevelopment.

(7) The increase in the assessed value of improvements resulting from remediation and redevelopment.

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

(d) A certified deduction application filed under subsection (a) or (b) is applicable for the year in which the addition to assessed value or assessment of property is made and each subsequent year to which the

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deduction applies under the resolution adopted under section 24 of this chapter.

(e) A property owner who desires to obtain the deduction provided by section 24 of this chapter but who has failed to file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and May 10 of a subsequent year which is applicable for the year filed and the subsequent years without any additional certified deduction application being filed for the amounts of the deduction which would be applicable to such years under this chapter if such a deduction application had been filed in accordance with subsection (a) or (b).

(f) On verification of the correctness of a certified deduction application by the assessor of the township in which the property is located, the county auditor shall, if the property is covered by a resolution adopted under section 24 of this chapter, make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 24 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

(1) is a person that:

(A) has never had an ownership interest in an entity that contributed; and

(B) has not contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management;

(2) continues to use the property in compliance with any standards established under sections 7 and 23 of this chapter; and

(3) files an application in the manner provided by subsection (e).

(h) The township assessor shall include a notice of the deadlines for filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment.

SECTION 285. IC 6-1.1-42-28, AS AMENDED BY P.L.119-1999, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28. (a) Subject to this section, the amount of the deduction which the property owner is entitled to receive under this chapter for a particular year equals the product of:

(1) the increase in the assessed value resulting from the remediation and redevelopment in the zone or the location of personal property in the zone, or both; multiplied by

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(2) the percentage determined under subsection (b).

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

(1) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

(2) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	17%

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

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	80%
4th	65%
5th	50%
6th	40%
7th	30%
8th	20%
9th	10%
10th	5%

(c) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a general reassessment of real property occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the general reassessment.

(2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

(3) The amount of the deduction may not exceed the limitations imposed by the designating body under section 23 of this chapter.

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(4) The amount of the deduction must be proportionally reduced by the proportionate ownership of the property by a person that:

(A) has an ownership interest in an entity that contributed; or

(B) has contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management.

The ~~state board of tax commissioners~~ **department of local government finance** shall adopt rules under IC 4-22-2 to implement this subsection.

SECTION 286. IC 6-1.1-42-30, AS AMENDED BY P.L.119-1999, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 30. (a) Within forty-five (45) days after receipt of the information described in section 29 of this chapter, the designating body may determine whether the property owner has substantially complied with the statement of benefits filed under sections 6 and 18 of this chapter.

(b) If the designating body determines that the property owner has not substantially complied with the statement of benefits and that the failure to substantially comply was not caused by factors beyond the control of the property owner (such as declines in demand for the property owner's products or services), the designating body shall mail a written notice to the property owner. The written notice must include the following provisions:

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

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

If a notice mailed to a property owner concerns a statement of benefits approved for personal property under section 24 of this chapter, the designating body shall also mail a copy of the notice to the ~~state board of tax commissioners.~~ **department of local government finance.**

(c) On the date specified in the notice described in subsection (b)(2), the designating body shall conduct a hearing for the purpose of further considering the property owner's compliance with the statement of benefits. Based on the information presented at the hearing by the property owner and other interested parties, the designating body shall again determine whether the property owner has made reasonable

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efforts to substantially comply with the statement of benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner. If the designating body determines that the property owner has not made reasonable efforts to comply with the statement of benefits, the designating body shall adopt a resolution terminating the property owner's deduction under section 24 of this chapter. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes.

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

(1) the property owner;

(2) the county auditor; and

(3) the ~~state board of tax commissioners~~ **department of local government finance** if the deduction was granted for personal property under section 24 of this chapter.

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

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

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

SECTION 287. IC 6-1.1-42-32 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 32. (a) Each calendar year, the county auditor shall publish the following in a

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newspaper of general interest and readership and not one of limited subject matter:

(1) A list of the approved deduction applications that were filed under this chapter during that year. The list must contain the following:

(A) The name and address of each person approved for or receiving a deduction that was filed for during the year.

(B) The amount of each deduction that was filed for during the year.

(C) The years for which each deduction that was filed for during the year will be available.

(D) The total amount for all deductions that were filed for and granted during the year.

(2) The total amount of all deductions for real property that were in effect under section 24 of this chapter during the year.

(3) The total amount of all deductions for personal property that were in effect under section 24 of this chapter during the year.

(b) The county auditor shall file the information described in subsection (a)(2) and (a)(3) with the ~~state board of tax commissioners~~ **department of local government finance** each calendar year.

SECTION 288. IC 6-3-2-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) As used in this section, "export income" means the gross receipts from the sale, transfer, or exchange of tangible personal property destined for international markets that is:

(1) manufactured at a plant located within a maritime opportunity district established under IC 6-1.1-40; and

(2) shipped through a port operated by the state.

(b) As used in this section, "export sales ratio" means the quotient of:

(1) the taxpayer's export income; divided by

(2) the taxpayer's gross receipts from the sale, transfer, or exchange of tangible personal property, regardless of its destination.

(c) As used in this section, "taxpayer" means a person or corporation that has export income.

(d) The Indiana port commission established by IC 8-10-1 shall notify the department when a maritime opportunity district is established under IC 6-1.1-40. The notice must include:

(1) the resolution passed by the commission to establish the district; and

(2) a list of all taxpayers located in the district.

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(e) The port commission shall also notify the department of any subsequent changes in the list of taxpayers located in the district.

(f) A taxpayer is entitled to a deduction from the taxpayer's adjusted gross income in an amount equal to the lesser of:

(1) the taxpayer's adjusted gross income; or

(2) the product of the export sales ratio multiplied by the percentage set forth in subsection (g).

(g) The percentage to be used in determining the amount a taxpayer is entitled to deduct under this section depends upon the number of years that the taxpayer could have taken a deduction under this section. The percentage to be used in subsection (f) is as follows:

YEAR OF DEDUCTION	PERCENTAGE
1st through 4th	100%
5th	80%
6th	60%
7th	40%
8th	20%
9th and thereafter	0%

(h) The department shall determine for each taxpayer claiming a deduction under this section, the taxpayer's export sales ratio for purposes of IC 6-1.1-40. The department shall certify the amount of the ratio to the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 289. IC 6-3.5-1.1-2.5, AS AMENDED BY P.L.89-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) This section applies only to a county having a population of more than ~~thirty-seven thousand (37,000) but less than thirty-seven thousand eight hundred (37,800).~~ **forty-one thousand (41,000) but less than forty-three thousand (43,000).**

(b) The county council of a county described in subsection (a) may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to fund the operation and maintenance of a jail and juvenile detention center opened after July 1, 1998.

(c) Notwithstanding section 2 of this chapter, if the county council adopts an ordinance under subsection (b), the county council may impose the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) on adjusted gross income. However, a county may impose the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) for only eight (8) years. After the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) for eight (8) years, the rate is reduced to one

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percent (1%). If the county council imposes the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%), the county council may decrease the rate or rescind the tax in the manner provided under this chapter.

(d) If a county imposes the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under this section, the revenue derived from a tax rate of one-tenth percent (0.1%) on adjusted gross income:

(1) shall be paid to the county treasurer;

(2) may be used only to pay the costs of operating a jail and juvenile detention center opened after July 1, 1998; and

(3) may not be considered by the ~~state board of tax commissioners~~ **department of local government finance** in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5.

SECTION 290. IC 6-3.5-1.1-2.7, AS ADDED BY P.L.135-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.7. (a) This section applies to a county having a population of more than ~~sixty-eight thousand (68,000) but less than seventy-three thousand (73,000).~~ **seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400).**

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

(1) finance, construct, acquire, improve, renovate, or equip the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings and the acquisition of land; and

(2) repay bonds issued, or leases entered into, for constructing, acquiring, improving, renovating, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings and the acquisition of land.

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

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

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

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

on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (b). The tax imposed under this section may be imposed only until the later of the date on which the financing on, acquisition, improvement, renovation,

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and equipping described in subsection (b) is completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty (20) years.

(d) If the county council makes a determination under subsection (b), the county council may adopt a tax rate under subsection ~~(b).~~ **(c).** The tax rate may not be imposed at a rate greater than is necessary to pay the costs of financing, acquiring, improving, renovating, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings and the acquisition of land.

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

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

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

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

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

(g) A county described in subsection (a) possesses unique economic development challenges due to underemployment in relation to similarly situated counties. Maintaining low property tax rates is essential to economic development and the use of county adjusted gross income tax revenues as provided in this chapter to pay any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described under subsection (b), rather than use of property taxes, promotes that purpose.

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

(1) the redemption of bonds issued; or

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

shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county

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highways, roads, and bridges.

SECTION 291. IC 6-3.5-1.1-3.5, AS AMENDED BY P.L.89-2001, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. (a) This section applies only to a county having a population of more than ~~twelve thousand six hundred (12,600) but less than thirteen thousand (13,000).~~ **thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000).**

(b) The county council of a county described in subsection (a) may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to fund the operation and maintenance of a jail and justice center.

(c) Notwithstanding section 2 of this chapter, if the county council adopts an ordinance under subsection (b), the county council may impose the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%) on adjusted gross income. However, a county may impose the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%) for only eight (8) years. After the county has imposed the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%) for eight (8) years, the rate is reduced to one percent (1%). If the county council imposes the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%), the county council may decrease the rate or rescind the tax in the manner provided under this chapter.

(d) If a county imposes the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%) under this section, the revenue derived from a tax rate of three-tenths percent (0.3%) on adjusted gross income:

(1) shall be paid to the county treasurer;

(2) may be used only to pay the costs of operating and maintaining a jail and justice center; and

(3) may not be considered by the ~~state board of tax commissioners~~ **department of local government finance** under any provision of IC 6-1.1-18.5, including the determination of the county's maximum permissible property tax levy.

(e) Notwithstanding section 3 of this chapter, the county fiscal body may adopt an ordinance under this section before June 1.

SECTION 292. IC 6-3.5-1.1-9.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.5. (a) The county council of a county may adopt an ordinance to reduce the required six (6) month balance of that county's special account to a three (3) month balance for that county.

(b) To reduce the balance, a county council must adopt an

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ordinance. The ordinance must substantially state the following:

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

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

(d) Not later than:

(1) sixty (60) days after a county council adopts an ordinance under subsection (b); and

(2) December 31 of each year;

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

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

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

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

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

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

(f) For the purposes of this subsection and subsection (g), "civil taxing unit" includes a city or town that existed on January 1 of the year in which the distribution is made. The county auditor shall distribute an amount received under subsection (d) to the civil taxing units in the same manner as the certified distribution is distributed and not later than thirty (30) days after the county auditor receives the amount. However, the county auditor shall distribute an amount to a civil taxing unit that does not have a property tax levy in the year of the distribution based on an estimate certified by the ~~state board of tax commissioners.~~ **department of local government finance.** The ~~state board of tax commissioners~~ **department of local government finance** shall compute and certify an amount for a civil taxing unit that does not have a property tax levy equal to the amount to be distributed multiplied by

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a fraction in which:

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

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

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

(2) the denominator of the fraction equals the aggregate attributed levies (as defined in IC 6-3.5-1.1-15) of all civil taxing units of that county for that calendar year plus the sum of the budgets estimated under subdivision (1) for each civil taxing unit that does not have a property tax levy in the year of the distribution.

(g) The civil taxing units may use the amounts received under subsection (f) for any item for which the particular civil taxing unit's certified shares may be used. The amount distributed shall not be included in the computation under IC 6-1.1-18.5-3.

SECTION 293. IC 6-3.5-1.1-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The part of a county's certified distribution for a calendar year that is to be used as property tax replacement credits shall be allocated by the county auditor among the civil taxing units and school corporations of the county.

(b) Except as provided in section 13 of this chapter, the amount of property tax replacement credits that each civil taxing unit and school corporation in a county is entitled to receive during a calendar year equals the product of:

(1) that part of the county's certified distribution that is dedicated to providing property tax replacement credits for that same calendar year; multiplied by

(2) a fraction:

(A) The numerator of the fraction equals the sum of the total property taxes being collected by the civil taxing unit or school corporation during that calendar year, plus with respect to a civil taxing unit, the amount of federal revenue sharing funds and certified shares received by it during that calendar year to the extent that they are used to reduce its property tax levy below the limit imposed by IC 6-1.1-18.5 for that same calendar year.

(B) The denominator of the fraction equals the sum of the total property taxes being collected by all civil taxing units and school corporations, plus the amount of federal revenue

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sharing funds and certified shares received by all civil taxing units in the county to the extent that they are used to reduce the civil taxing units' property tax levies below the limits imposed by IC 6-1.1-18.5 for that same calendar year.

(c) The ~~state board of tax commissioners~~ **department of local government finance** shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits it is entitled to receive (after adjustment made under section 13 of this chapter) during that calendar year. The county auditor shall also certify these distributions to the county treasurer.

SECTION 294. IC 6-3.5-1.1-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) If a civil taxing unit or school corporation of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which property tax replacement credits are being distributed, that civil taxing unit or school corporation is entitled to receive a proportion of the property tax replacement credits to be distributed within the county. The amount such a civil taxing unit or school corporation is entitled to receive during that calendar year equals the product of:

(1) the part of the county's certified distribution that is to be used to provide property tax replacement credits during that calendar year; multiplied by

(2) a fraction:

(A) The numerator of the fraction equals the budget of that civil taxing unit or school corporation for that calendar year.

(B) The denominator of the fraction equals the aggregate budgets of all civil taxing units and school corporations of that county for that calendar year.

(b) If for a calendar year a civil taxing unit or school corporation is allocated a proportion of a county's property tax replacement credits by this section then the formula used in section 12 of this chapter to determine all other civil taxing units' and school corporations' property tax replacement credits shall be changed for that same year by reducing the amount dedicated to providing property tax replacement credits by the amount of property tax replacement credits allocated under this section for that same calendar year. The ~~state board of tax commissioners~~ **department of local government finance** shall make any adjustments required by this section and provide them to the

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appropriate county auditors.

SECTION 295. IC 6-3.5-1.1-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) In determining the amount of property tax replacement credits civil taxing units and school corporations of a county are entitled to receive during a calendar year, the ~~state board of tax commissioners~~ **department of local government finance** shall consider only property taxes imposed on tangible property that was assessed in that county.

(b) If a civil taxing unit or a school corporation is located in more than one (1) county and receives property tax replacement credits from one (1) or more of the counties, then the property tax replacement credits received from each county shall be used only to reduce the property tax rates that are imposed within the county that distributed the property tax replacement credits.

(c) A civil taxing unit shall treat any property tax replacement credits that it receives or is to receive during a particular calendar year as a part of its property tax levy for that same calendar year for purposes of fixing its budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

(d) A school corporation shall treat any property tax replacement credits that the school corporation receives or is to receive during a particular calendar year as a part of its property tax levy for its general fund, debt service fund, capital projects fund, transportation fund, and special education preschool fund in proportion to the levy for each of these funds for that same calendar year for purposes of fixing its budget and for purposes of the property tax levy limits imposed by IC 6-1.1-19. A school corporation shall allocate the property tax replacement credits described in this subsection to all five (5) funds in proportion to the levy for each fund.

SECTION 296. IC 6-3.5-6-18, AS AMENDED BY P.L.283-2001, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

(1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;

(2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);

(3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;

(4) make payments permitted under IC 36-7-15.1-17.5;

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(5) make payments permitted under subsection (i); and

(6) make distributions of distributive shares to the civil taxing units of a county.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year. The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the total property taxes that are first due and payable to the civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, and after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county. The denominator of the fraction equals the sum of the total property taxes that are first due and payable to all civil taxing units of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, and after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the

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indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

(f) The ~~state board of tax commissioners~~ **department of local government finance** shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

(1) The amount to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The ~~state board of tax commissioners~~ **department of local government finance** shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 297. IC 6-3.5-6-19, AS AMENDED BY P.L.273-1999, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) Except as provided in sections 17.6(d),

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18(e), and 18.5(b)(3) of this chapter, in determining the fractional share of distributive shares the civil taxing units of a county are entitled to receive under section 18 of this chapter during a calendar year, the ~~state board of tax commissioners~~ **department of local government finance** shall consider only property taxes imposed on tangible property subject to assessment in that county.

(b) In determining the amount of distributive shares a civil taxing unit is entitled to receive under section 18(g) of this chapter, the ~~state board of tax commissioners~~ **department of local government finance** shall consider only the percentage of the civil taxing unit's budget that equals the ratio that the total assessed valuation that lies within the civil taxing unit and the county that has adopted the county option tax bears to the total assessed valuation that lies within the civil taxing unit.

(c) The distributive shares to be allocated and distributed under this chapter shall be treated by each civil taxing unit as additional revenue for the purpose of fixing its budget for the budget year during which the distributive shares is to be distributed to the civil taxing unit.

(d) In the case of a civil taxing unit that includes a consolidated city its fiscal body may distribute any revenue it receives under this chapter to any governmental entity located in its county except an excluded city, a township, or a school corporation.

SECTION 298. IC 6-3.5-7-12, AS AMENDED BY P.L.283-2001, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Except as provided in section 23 of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

(b) Except as provided in subsections (c) and (h) and section 15 of this chapter, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and November of each year equals the product of the following:

(1) The amount of the certified distribution for that month; multiplied by

(2) A fraction. The numerator of the fraction equals the sum of the following:

(A) Total property taxes that are first due and payable to the county, city, or town during the calendar year in which the month falls; plus

(B) For a county, an amount equal to:

(i) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; plus

(ii) after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the indigent

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property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, and after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

(c) This subsection applies to a county council or county income tax council that imposes a tax under this chapter after June 1, 1992. The body imposing the tax may adopt an ordinance before July 1 of a year to provide for the distribution of certified distributions under this subsection instead of a distribution under subsection (b). The following apply if an ordinance is adopted under this subsection:

(1) The ordinance is effective January 1 of the following year.

(2) The amount of the certified distribution that the county and each city and town in the county is entitled to receive during May and November of each year equals the product of:

(A) the amount of the certified distribution for the month; multiplied by

(B) a fraction. For a city or town, the numerator of the fraction equals the population of the city or the town. For a county, the numerator of the fraction equals the population of the part of the county that is not located in a city or town. The denominator of the fraction equals the sum of the population of all cities and towns located in the county and the population of the part of the county that is not located in a city or town.

(3) The ordinance may be made irrevocable for the duration of specified lease rental or debt service payments.

(d) The body imposing the tax may not adopt an ordinance under subsection (c) if, before the adoption of the proposed ordinance, any of the following have pledged the county economic development income tax for any purpose permitted by IC 5-1-14 or any other statute:

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(1) The county.
(2) A city or town in the county.
(3) A commission, a board, a department, or an authority that is authorized by statute to pledge the county economic development income tax.

(e) The ~~state board of tax commissioners~~ **department of local government finance** shall provide each county auditor with the fractional amount of the certified distribution that the county and each city or town in the county is entitled to receive under this section.

(f) Money received by a county, city, or town under this section shall be deposited in the unit's economic development income tax fund.

(g) Except as provided in subsection (b)(2)(B), in determining the fractional amount of the certified distribution the county and its cities and towns are entitled to receive under subsection (b) during a calendar year, the ~~state board of tax commissioners~~ **department of local government finance** shall consider only property taxes imposed on tangible property subject to assessment in that county.

(h) In a county having a consolidated city, only the consolidated city is entitled to the certified distribution, subject to the requirements of section 15 of this chapter.

SECTION 299. IC 6-3.5-7-22.5, AS ADDED BY P.L.291-2001, SECTION 198, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22.5. (a) This section applies to a county having a population of more than ~~twenty-seven thousand (27,000) but less than twenty-seven thousand three hundred (27,300).~~ **twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500).**

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

(c) In order to impose the county economic development income tax as provided in this section, the county council must adopt an ordinance finding and determining that revenues from the county economic development income tax are needed to pay the costs of financing, constructing, acquiring, renovating, and equipping the county courthouse and renovating the former county hospital for additional office space, educational facilities, nonsecure juvenile facilities, and other county functions, including the repayment of bonds issued, or leases entered into, for constructing, acquiring, renovating, and equipping the county courthouse and renovating the former county

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hospital for additional office space, educational facilities, nonsecure juvenile facilities, and other county functions.

(d) If the county council makes a determination under subsection (c), the county council may adopt a tax rate under subsection (b). The tax rate may not be imposed at a rate or for a time greater than is necessary to pay the costs of financing, constructing, acquiring, renovating, and equipping the county courthouse and renovating the former county hospital for additional office space, educational facilities, nonsecure juvenile facilities, and other county functions.

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

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

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

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

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

(g) A county described in subsection (a) possesses:

(1) unique fiscal challenges to finance the operations of county government due to the county's ongoing obligation to repay amounts received by the county due to an overpayment of the county's certified distribution under IC 6-3.5-1.1-9 for a prior year; and

(2) unique capital financing needs due to the imminent transfer from the governing board of the county hospital of facilities no longer needed for hospital purposes and the need to undertake immediate improvements in order to make those facilities suitable for use by the county for additional office space, educational facilities, nonsecure juvenile facilities, and other county functions.

SECTION 300. IC 6-3.5-7-23, AS ADDED BY P.L.124-1999, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) This section applies only to a county having a population of at least ~~forty-five thousand (45,000) but not more than forty-seven thousand (47,000).~~ **fifty-five thousand (55,000)**

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but less than sixty-five thousand (65,000).

(b) The county council may by ordinance determine that, in order to promote the development of libraries in the county and thereby encourage economic development, it is necessary to use economic development income tax revenue to replace library property taxes in the county. However, a county council may adopt an ordinance under this subsection only if all territory in the county is included in a library district.

(c) If the county council makes a determination under subsection (b), the county council may designate the county economic development income tax revenue generated by the tax rate adopted under section 5 of this chapter, or revenue generated by a portion of the tax rate, as revenue that will be used to replace public library property taxes imposed by public libraries in the county. The county council may not designate for library property tax replacement purposes any county economic development income tax revenue that is generated by a tax rate of more than fifteen-hundredths percent (0.15%).

(d) The county treasurer shall establish a library property tax replacement fund to be used only for the purposes described in this section. County economic development income tax revenues derived from the portion of the tax rate designated for property tax replacement credits under subsection (c) shall be deposited in the library property tax replacement fund before certified distributions are made under section 12 of this chapter.

(e) The amount of county economic development income tax revenue dedicated to providing library property tax replacement credits shall, in the manner prescribed in this section, be allocated to public libraries operating in the county and shall be used by those public libraries as property tax replacement credits. The amount of property tax replacement credits that each public library in the county is entitled to receive during a calendar year under this section equals the lesser of:

(1) the product of:

(A) the amount of revenue deposited by the county auditor in the library property tax replacement fund; multiplied by

(B) a fraction described as follows:

(i) The numerator of the fraction equals the sum of the total property taxes that would have been collected by the public library during the previous calendar year from taxpayers located within the library district if the property tax replacement under this section had not been in effect.

(ii) The denominator of the fraction equals the sum of the total property taxes that would have been collected during

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the previous year from taxpayers located within the county by all public libraries that are eligible to receive property tax replacement credits under this section if the property tax replacement under this section had not been in effect; or

(2) the total property taxes that would otherwise be collected by the public library for the calendar year if the property tax replacement credit under this section were not in effect.

The ~~state board of tax commissioners~~ **department of local government finance** shall make any adjustments necessary to account for the expansion of a library district. However, a public library is eligible to receive property tax replacement credits under this section only if it has entered into reciprocal borrowing agreements with all other public libraries in the county. If the total amount of county economic development income tax revenue deposited by the county auditor in the library property tax replacement fund for a calendar year exceeds the total property tax liability that would otherwise be imposed for public libraries in the county for the year, the excess shall remain in the library property tax replacement fund and shall be used for library property tax replacement purposes in the following calendar year.

(f) Notwithstanding subsection (e), if a public library did not impose a property tax levy during the previous calendar year, that public library is entitled to receive a part of the property tax replacement credits to be distributed for the calendar year. The amount of property tax replacement credits the public library is entitled to receive during the calendar year equals the product of:

(1) the amount of revenue deposited in the library property tax replacement fund; multiplied by

(2) a fraction. The numerator of the fraction equals the budget of the public library for that calendar year. The denominator of the fraction equals the aggregate budgets of public libraries in the county for that calendar year.

If for a calendar year a public library is allocated a part of the property tax replacement credits under this subsection, then the amount of property tax credits distributed to other public libraries in the county for the calendar year shall be reduced by the amount to be distributed as property tax replacement credits under this subsection. The ~~state board of tax commissioners~~ **department of local government finance** shall make any adjustments required by this subsection and provide the adjustments to the county auditor.

(g) The ~~state board of tax commissioners~~ **department of local government finance** shall inform the county auditor of the amount of

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property tax replacement credits that each public library in the county is entitled to receive under this section. The county auditor shall certify to each public library the amount of property tax replacement credits that the public library is entitled to receive during that calendar year. The county auditor shall also certify these amounts to the county treasurer.

(h) A public library receiving property tax replacement credits under this section shall allocate the credits among each fund for which a distinct property tax levy is imposed. The amount that must be allocated to each fund equals:

(1) the amount of property tax replacement credits provided to the public library under this section; multiplied by

(2) the amount determined in STEP THREE of the following formula:

STEP ONE: Determine the property taxes that would have been collected for each fund by the public library during the previous calendar year if the property tax replacement under this section had not been in effect.

STEP TWO: Determine the sum of the total property taxes that would have been collected for all funds by the public library during the previous calendar year if the property tax replacement under this section had not been in effect.

STEP THREE: Divide the STEP ONE amount by the STEP TWO amount.

However, if a public library did not impose a property tax levy during the previous calendar year or did not impose a property tax levy for a particular fund during the previous calendar year, but the public library is imposing a property tax levy in the current calendar year or is imposing a property tax levy for the particular fund in the current calendar year, the ~~state board of tax commissioners~~ **department of local government finance** shall adjust the amount of property tax replacement credits allocated among the various funds of the public library and shall provide the adjustment to the county auditor. If a public library receiving property tax replacement credits under this section does not impose a property tax levy for a particular fund that is first due and payable in a calendar year in which the property tax replacement credits are being distributed, the public library is not required to allocate to that fund a part of the property tax replacement credits to be distributed to the public library.

(i) For each public library that receives property tax credits under this section, the ~~state board of tax commissioners~~ **department of local government finance** shall certify to the county auditor the property tax

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rate applicable to each fund after the property tax replacement credits are allocated.

(j) A public library shall treat property tax replacement credits received during a particular calendar year under this section as a part of the public library's property tax levy for each fund for that same calendar year for purposes of fixing the public library's budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

(k) The property tax replacement credits that are received under this section do not reduce the total county tax levy that is used to compute the state property tax replacement credit under IC 6-1.1-21. For the purpose of computing and distributing certified distributions under IC 6-3.5-1.1 and tax revenue under IC 6-5-10, IC 6-5-11, IC 6-5-12, IC 6-5.5, or IC 6-6-5, the property tax replacement credits that are received under this section shall be treated as though they were property taxes that were due and payable during that same calendar year.

SECTION 301. IC 6-3.5-8-12, AS ADDED BY P.L.151-2001, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) If the fiscal body of a municipality in a qualifying county adopts an ordinance under section 11(a) of this chapter, the ~~state board of tax commissioners~~ **department of local government finance** may not certify a budget for the municipality under IC 6-1.1-17-16(f) for the 2002 calendar year that is greater than ninety-seven percent (97%) of the budget of the municipality certified by the ~~state board~~ **department** for the 2001 calendar year. The ~~state board of tax commissioners~~ **department of local government finance** may not certify a budget for the municipality under IC 6-1.1-17-16(f) for any later calendar year that is greater than ninety-seven percent (97%) of the budget of the municipality certified by the ~~state board~~ **department** for the calendar year that immediately precedes the later calendar year.

(b) If the fiscal body of a municipality in a qualifying county adopts an ordinance in a calendar year under section 11(c) of this chapter, the ~~state board of tax commissioners~~ **department of local government finance** may not certify a budget for the municipality under IC 6-1.1-17-16(f) for the calendar year that immediately succeeds the calendar year in which the ordinance is adopted that is greater than ninety-seven percent (97%) of the budget of the municipality certified by the ~~state board~~ **department** for the calendar year in which the ordinance was adopted. The ~~state board of tax commissioners~~ **department of local government finance** may not certify a budget for the municipality under IC 6-1.1-17-16(f) for any later calendar year that

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is greater than ninety-seven percent (97%) of the budget of the municipality certified by the ~~state board~~ **department** for the calendar year that immediately precedes the later calendar year.

(c) Before July 1 of 2002 and of each year thereafter, the ~~state board of tax commissioners~~ **department of local government finance** shall review the budget approved for each municipality in a qualifying county in which a municipal option income tax is in effect to determine whether the restriction under subsection (a) or (b) has been applied. If the restriction has not been applied:

(1) the municipal option income tax is rescinded as of July 1 of the year in which the review was made;

(2) the municipality may not impose the municipal option income tax for any later year; and

(3) the municipality is:

(A) subject to subsection (d), if the municipality adopted the municipal option income tax in 2002; or

(B) subject to subsection (e), if the municipality adopted the municipal option income tax in a year that succeeds 2002.

(d) In May 2003, the department of state revenue shall determine for each municipality subject to this subsection the amount of tax revenue collected for the municipality after August 31, 2001, and before July 1, 2002. The department of state revenue shall immediately notify the municipality of the amount determined under this subsection. Not later than thirty (30) days after receiving notification from the department of state revenue, the municipality shall transfer the amount determined by the department under this subsection from the municipality's general fund to the county family and children's fund of the qualifying county in which the municipality is located.

(e) In May 2004, and in May of each year thereafter, the department of state revenue shall determine for each municipality subject to this subsection the amount of tax revenue collected for the municipality after June 30 of the calendar year that precedes by two (2) years the calendar year in which the determination is made and before July 1 of the year that immediately precedes the calendar year in which the determination is made. The department of state revenue shall immediately notify the municipality of the amount determined under this subsection. Not later than thirty (30) days after receiving notification from the department of state revenue, the municipality shall transfer the amount determined by the department under this ~~subsection~~ **section** from the municipality's general fund to the county family and children's fund of the qualifying county in which the municipality is located.

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(f) If a municipality makes a transfer from its general fund to the county's family and children's fund as described in subsection (d) or (e), the ~~state board of tax commissioners~~ **department of local government finance** shall reduce by the amount transferred the county's maximum family and children's fund levy under IC 6-1.1-18.6 for the calendar year that immediately succeeds the year in which the transfer is made.

(g) This subsection applies if the fiscal body of a municipality in a qualifying county adopts an ordinance under section 11 of this chapter to impose a municipal option income tax. The maximum permissible ad valorem property tax levy of the municipality is not subject to any increase under IC 6-1.1-18.5-3(a) or IC 6-1.1-18.5-3(b) for taxes payable in:

(1) the calendar year that immediately succeeds the calendar year in which the ordinance is adopted; and

(2) each succeeding calendar year in which the municipal option income tax remains in effect.

(h) This subsection applies if the fiscal body of a municipality in a qualifying county adopts an ordinance under section 14 of this chapter to rescind the municipal option income tax, or if the municipal option income tax in a municipality is rescinded by operation of law. For purposes of IC 6-1.1-18.5-3(a) STEP ONE or IC 6-1.1-18.5-3(b) STEP ONE, the preceding calendar year is considered to be the calendar year in which an ordinance was adopted under section 11 of this chapter to impose the municipal option income tax.

SECTION 302. IC 6-3.5-8-20, AS ADDED BY P.L.151-2001, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) The ~~state board of tax commissioners~~ **department of local government finance** shall each year reduce the general fund property tax levy of a municipality receiving a distribution under this chapter in that year. The municipality's general fund property tax levy shall be reduced by the amount of the distribution received or to be received by the municipality during the year. The ~~state board of tax commissioners~~ **department of local government finance** shall certify to the auditor of the qualifying county the property tax rate applicable to the municipality's general fund after the property tax reduction under this section.

(b) A municipality shall treat a distribution that the municipality receives or is to receive during a particular calendar year as a part of the municipality's property tax levy for the general fund for that same calendar year for purposes of fixing the municipality's budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

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However, the distributions shall not reduce the total county tax levy that is used to compute the state property tax replacement credit under IC 6-1.1-21. In addition, for purposes of computing and distributing any excise taxes or income taxes in which the distribution is based on property taxes, the distributions shall be treated as though they were property taxes that were due and payable during that same calendar year.

(c) A municipality may use distributions received under this chapter for any purpose for which the municipality may use property tax revenues.

SECTION 303. IC 6-5.5-8-2, AS AMENDED BY P.L.273-1999, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) On or before February 1, May 1, August 1, and December 1 of each year the auditor of state shall transfer to each county auditor for distribution to the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount equal to one-fourth (1/4) of the sum of the guaranteed amounts for all the taxing units of the county. On or before August 1 of each year the auditor of state shall transfer to each county auditor the supplemental distribution for the county for the year. For purposes of determining distributions under subsection (b), the ~~state board of tax commissioners~~ **department of local government finance** shall determine a state welfare allocation for each county calculated as follows:

(1) For 2000 and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under the following formula:

STEP ONE: For 1997, 1998, and 1999, determine the result of:

(A) the amounts appropriated by the county in the year for the county's county welfare fund and county welfare administration fund; divided by

(B) the amounts appropriated by all the taxing units in the county in the year.

STEP TWO: Determine the sum of the results determined in STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under subsection (b) without regard to this subdivision.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

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(2) The state welfare allocation shall be deducted from the distributions otherwise payable under subsection (b) to the taxing unit that is a county and shall be deposited in a special account within the state general fund.

(b) A taxing unit's guaranteed distribution for a year is the greater of zero (0) or an amount equal to:

(1) the amount received by the taxing unit under IC 6-5-10 and IC 6-5-11 in 1989; minus

(2) the amount to be received by the taxing unit in the year of the distribution, as determined by the ~~state board of tax commissioners,~~ **department of local government finance,** from property taxes attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee; minus

(3) in the case of a taxing unit that is a county, the amount that would have been received by the taxing unit in the year of the distribution, as determined by the ~~state board of tax commissioners,~~ **department of local government finance** from property taxes that:

(A) were calculated for the county's county welfare fund and county welfare administration fund for 2000 but were not imposed because of the repeal of IC 12-19-3 and IC 12-19-4; and

(B) would have been attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee.

(c) The amount of the supplemental distribution for a county for a year shall be determined using the following formula:

STEP ONE: Determine the greater of zero (0) or the difference between:

(A) one-half (1/2) of the taxes that the department estimates will be paid under this article during the year; minus

(B) the sum of all the guaranteed distributions, before the subtraction of all state welfare allocations under subsection (a), for all taxing units in all counties plus the bank personal property taxes to be received by all taxing units in all counties, as determined under subsection (b)(2) for the year.

STEP TWO: Determine the quotient of:

(A) the amount received under IC 6-5-10 and IC 6-5-11 in 1989 by all taxing units in the county; divided by

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(B) the sum of the amounts received under IC 6-5-10 and IC 6-5-11 in 1989 by all taxing units in all counties.

STEP THREE: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the amount determined in STEP TWO.

STEP FOUR: Determine the greater of zero (0) or the difference between:

(A) the amount of supplemental distribution determined in STEP THREE for the county; minus

(B) the amount of refunds granted under IC 6-5-10-7 that have yet to be reimbursed to the state by the county treasurer under IC 6-5-10-13.

For the supplemental distribution made on or before August 1 of each year, the department shall adjust the amount of each county's supplemental distribution to reflect the actual taxes paid under this article for the preceding year.

(d) Except as provided in subsection (f), the amount of the supplemental distribution for each taxing unit shall be determined using the following formula:

STEP ONE: Determine the quotient of:

(A) the amount received by the taxing unit under IC 6-5-10 and IC 6-5-11 in 1989; divided by

(B) the sum of the amounts used in STEP ONE (A) for all taxing units located in the county.

STEP TWO: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the supplemental distribution for the county, as determined in subsection (c), STEP FOUR.

(e) The county auditor shall distribute the guaranteed and supplemental distributions received under subsection (a) to the taxing units in the county at the same time that the county auditor makes the semiannual distribution of real property taxes to the taxing units.

(f) The amount of a supplemental distribution paid to a taxing unit that is a county shall be reduced by an amount equal to:

(1) the amount the county would receive under subsection (d) without regard to this subsection; minus

(2) an amount equal to:

(A) the amount under subdivision (1); multiplied by

(B) the result of the following:

~~(1)~~ **(i)** Determine the amounts appropriated by the county in 1997, 1998, and 1999, from the county's county welfare fund and county welfare administration fund, divided by the total

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amounts appropriated by all the taxing units in the county in the year.

(ii) Divide the amount determined in item ~~(I)~~ **(i)** by three (3).

SECTION 304. IC 6-6-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) As the basis for measuring the tax imposed by this chapter, the bureau shall determine the value of each vehicle as of the time it is first offered for sale as a new vehicle in Indiana. The bureau shall adopt rules for determining the value of vehicles, using the "factory advertised delivered price" or the "port of entry price".

(b) If the bureau is unable to ascertain a value by this method in respect to any vehicle or class of vehicles because the vehicle is a specially constructed vehicle or for any other reason, the bureau shall determine, from any information available, the true tax value subject to review and adjustment by the ~~state board of tax commissioners.~~ **department of local government finance.**

(c) For each vehicle, beginning with the 1990 model year, the bureau shall reduce the value determined under subsection (a) or (b) by dividing:

(1) the price determined under subsection (a) or (b); by

(2) one (1) plus the average percentage increase in new automobile prices using the most recent annual reference to the Consumer Price Index for Private New Automobiles as published by the Bureau of Labor Statistics, United States Department of Labor.

SECTION 305. IC 6-6-5.5-18, AS ADDED BY P.L.181-1999, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) A taxpayer who owns, holds, possesses, or controls a commercial vehicle that:

(1) is subject to the commercial vehicle excise tax imposed under this chapter; and

(2) would have been subject to assessment as personal property on March 1, 2000, under the law in effect before January 1, 2000;

shall file an information return on or before May 15, 2000, with the assessor of each township in which the taxpayer's commercial vehicles would have been subject to assessment and taxation under IC 6-1.1.

(b) The information return shall be filed on a form prescribed by the ~~state board of tax commissioners~~ **department of local government finance** and shall require the taxpayer to provide information regarding the value, nature, and location of each commercial vehicle which the taxpayer owns, holds, possesses, or controls on March 1, 2000. If a commercial vehicle is used or operated in interstate commerce, the

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value reported on the information return shall be determined under the procedure set forth in 50 IAC 4.2-10-3.

(c) The information return shall be furnished to the taxpayer by the appropriate township assessor in the same manner and at the same time as the taxpayer's personal property tax return.

(d) In completing an information return under this section, a taxpayer shall make a complete disclosure of all information, required by the ~~state board of tax commissioners,~~ **department of local government finance,** that is related to the value, nature, or location of commercial vehicles that the taxpayer owns, holds, possesses or controls on March 1, 2000. The taxpayer shall certify to the truth of all information appearing in the information return and all data accompanying the information return.

(e) The township assessor shall examine and verify the accuracy of each information return filed by a taxpayer. If appropriate, the assessor shall compare an information return with the books of the taxpayer and with commercial vehicles owned, held, possessed, or controlled by the taxpayer.

SECTION 306. IC 6-6-5.5-19, AS AMENDED BY P.L.14-2000, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) As used in this section, "assessed value" means an amount equal to the true tax value of commercial vehicles that:

(1) are subject to the commercial vehicle excise tax under this chapter; and

(2) would have been subject to assessment as personal property on March 1, 2000, under the law in effect before January 1, 2000.

(b) For calendar year 2001, a taxing unit's base revenue shall be determined as provided in subsection (f). For calendar years that begin after December 31, 2001, a taxing unit's base revenue shall be determined by multiplying the previous year's base revenue by one hundred five percent (105%).

(c) The amount of commercial vehicle excise tax distributed to the taxing units of Indiana from the commercial vehicle excise tax fund shall be determined in the manner provided in this section. On or before June 1, 2000, each township assessor of a county shall deliver to the county assessor a list that states by taxing district the total assessed value as shown on the information returns filed with the assessor on or before May 15, 2000.

(d) On or before July 1, 2000, each county assessor shall certify to the county auditor the assessed value of commercial vehicles in every taxing district.

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(e) On or before August 1, 2000, the county auditor shall certify the following to the ~~state board of tax commissioners:~~ **department of local government finance:**

(1) The total assessed value of commercial vehicles in the county.

(2) The total assessed value of commercial vehicles in each taxing district of the county.

(f) The ~~state board of tax commissioners~~ **department of local government finance** shall determine each taxing unit's base revenue by applying the current tax rate for each taxing district to the certified assessed value from each taxing district. The ~~state board of tax commissioners~~ **department of local government finance** shall also determine the following:

(1) The total amount of base revenue to be distributed from the commercial vehicle excise tax fund in 2001 to all taxing units in Indiana.

(2) The total amount of base revenue to be distributed from the commercial vehicle excise tax fund in 2001 to all taxing units in each county.

(3) Each county's total distribution percentage. A county's total distribution percentage shall be determined by dividing the total amount of base revenue to be distributed in 2001 to all taxing units in the county by the total base revenue to be distributed statewide.

(4) Each taxing unit's distribution percentage. A taxing unit's distribution percentage shall be determined by dividing each taxing unit's base revenue by the total amount of base revenue to be distributed in 2001 to all taxing units in the county.

(g) The ~~state board of tax commissioners~~ **department of local government finance** shall certify each taxing unit's base revenue and distribution percentage for calendar year 2001 to the auditor of state on or before September 1, 2000.

(h) The auditor of state shall keep permanent records of each taxing unit's base revenue and distribution percentage for calendar year 2001 for purposes of determining the amount of money each taxing unit in Indiana is entitled to receive in calendar years that begin after December 31, 2001.

SECTION 307. IC 6-6-6-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. For purposes of this chapter, the ~~state board of tax commissioners:~~ **department of local government finance:**

(1) shall prescribe or promulgate the tonnage tax return and any other forms required in order to carry out this chapter;

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(2) shall interpret this chapter and instruct a taxing official about ~~his~~ **the official's** duties under it when requested to do so by the official or by a person affected by this chapter;
(3) shall see that the taxes imposed by this chapter are collected;
(4) shall see that the penalties prescribed under this chapter are enforced; and
(5) may exercise those same powers to subpoena and examine records and witnesses which the board has under IC 6-1.1-30-13.

SECTION 308. IC 7.1-3-24-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. Surviving Spouse or Heir. The surviving spouse or heir of a deceased permittee may be permitted to continue the business conducted by the deceased permittee, without probate proceedings, if the consent of the ~~state board of tax commissioners~~ **department of local government finance** is procured, and if the court having probate jurisdiction shall find that the surviving spouse or heir of the deceased permittee possesses the qualifications required of an applicant for that particular type of permit. A surviving spouse or heir who desires to carry on the business of the deceased permittee, as authorized by this section, must apply for and receive the written consent of the chairman. A copy of the court's findings on the qualifications of the applicant must accompany the application for written consent.

SECTION 309. IC 8-1-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The commission shall value all property of every public utility actually used and useful for the convenience of the public at its fair value, giving such consideration as it deems appropriate in each case to all bases of valuation which may be presented or which the commission is authorized to consider by the following provisions of this section. As one of the elements in such valuation the commission shall give weight to the reasonable cost of bringing the property to its then state of efficiency. In making such valuation, the commission may avail itself of any information in possession of the ~~state board of tax commissioners~~ **department of local government finance** or of any local authorities. The commission may accept any valuation of the physical property made by the interstate commerce commission of any public utility subject to the provisions of this act.

(b) The lands of such public utility shall not be valued at a greater amount than the assessed value of said lands exclusive of improvements as valued for taxation. In making such valuation no account shall be taken of presumptive value resting on natural resources independent of any structures in relation thereto, the natural

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resource itself shall be viewed as the public's property. No account shall be taken of good will for presumptive values growing out of the operation of any utility as a going concern, all such values to rest with the municipality by reason of the special and exclusive grants given such utility enterprises. No account shall be taken of construction costs unless such costs were actually incurred and paid as part of the cost entering into the construction of the utility. All public utility valuations shall be based upon tangible property, that is, such property as has value by reason of construction costs, either in materials purchased or in assembling of materials into structures by the labor or (of) workers and the services of superintendents, including engineers, legal and court costs, accounting systems and transportation costs, and also including insurance and interest charges on capital accounts during the construction period. As an element in determining value the commission may also take into account reproduction costs at current prices, less depreciation, based on the items set forth in the last sentence hereof and shall not include good will, going value, or natural resources.

(c) In determining the amount of allowable operating expenses of a utility, the commission may not take into consideration or approve any expense for institutional or image building advertising, charitable contributions, or political contributions.

SECTION 310. IC 8-1-11.1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) For the purpose of raising money to pay for the acquisition of any utility property which said city shall have the right to and shall determine to acquire, or which any such city may take over as trustee for the inhabitants thereof, including any money required to be paid for the purpose of redeeming or extinguishing the capital stock of any utility whose property may be so taken over and for the purpose of paying any outstanding obligations of any utility company subject to which the property of any such utility may be taken over by any such city, or held by it in trust for the inhabitants thereof; or for the purpose of making necessary betterments, improvements, extensions or additions to any utility property owned, or so held in trust, by said city, the board of directors for utilities shall cause to be issued in the name of the said city the bonds of said utility district not to exceed in amount the total cost of any such utility so purchased, or so held in trust, and for the outstanding obligations of any utility subject to which the property is to be taken over and which it is desired to pay off and discharge and/or of any such additions, betterments, improvements, extensions or additions to any utility owned, or so held in trust, and including all

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expenses necessarily incurred in connection with the acquisition of any such property, the paying off of any such indebtedness or the making of any such improvements, extensions or additions thereto. Such bonds shall be issued in any denominations not more than one thousand dollars ($1,000) each, and shall be payable at such period not longer than thirty (30) years after date, and in such series or series as such board of directors may by resolution determine. Said bonds shall be negotiable as inland bills of exchange, and shall bear interest at any rate, payable semiannually. On adopting a resolution ordering said bonds, said board of directors shall certify a copy of the same to the city controller of said city, who shall thereupon prepare said bonds and the same shall be executed by the mayor of said city and attested by the city controller. Such bonds shall be exempt from taxation for any and all purposes. All of said bonds so issued by the board of directors shall be sold by the city controller to the highest bidder therefor, but in no event for less than par, after giving notice of sale of such bonds by publication in accordance with IC 5-3-1. Any bonds issued pursuant to the provisions of this chapter, whether bonds of said utility district, or mortgage bonds, certificates of indebtedness, or other obligations, as hereinafter provided for in this chapter, shall be valid and binding without obtaining the approval of the commission or the ~~state board of tax commissioners~~ **department of local government finance** of the state of Indiana. It shall be unlawful for said board of directors for utilities to cause to be issued under this chapter any bonds of said utility district payable by special taxation when the total issue for that purpose, including the bonds already issued and outstanding and those proposed to be issued, is in excess of two percent (2%) of the total adjusted value of taxable property in the district as determined under IC 36-1-15, and all bonds or obligations issued in violation of this provision shall be void. Said bonds shall not in any respect be a corporate obligation or indebtedness of said city, but shall be and constitute an indebtedness of said utility district as a special taxing district, and said bonds and interest thereon shall be payable out of a special tax levy upon all of the property of said utility district, or from surplus earnings as in this chapter provided; and said bonds shall recite such terms upon their face, together with the purpose for which they are issued. No suit to question the validity of said bonds so issued for said utility district or to prevent their issue and sale shall be instituted after the date set for the sale of said bonds, and all said bonds from and after said date shall be incontestable for any cause whatsoever.

(b) In event any such city shall, pursuant to any contract right so to do, determine to take over the property and business of any utility

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company by the payment to it of the amount necessary to pay off the stock of such company, the proceeds of any such utility district bonds issued and sold as herein provided may, so far as is necessary, be paid over to any such utility company at the time of the conveyance, transfer, or taking over of its property, for the purpose of enabling such company to discharge its obligations to its stockholders in accordance with the provisions of any such contract.

(c) In addition to the authority granted to issue utility district bonds the board of directors of any such utility district for the purpose of providing necessary funds with which to pay the cost of acquiring any utility property, or paying off any existing indebtedness of or upon any utility property, so acquired, or to pay the expenses of operation of any such utility property, including the cost of any betterments or extensions, may make temporary loans in the form of certificates of indebtedness, which shall be a charge solely against either the particular utility property or against the earnings thereof, or both, on behalf of which the same is borrowed; or said board of directors may authorize the issuance of mortgage bonds secured by a mortgage upon the property or upon the earnings, or both, of the particular utility for whose benefit such moneys are borrowed; and any such certificates of indebtedness and mortgages shall constitute charges as may be indicated aforesaid by the directors when authorizing the same and shall contain such terms and provisions and shall be sold at such price and shall bear such rate of interest as such board of directors may approve.

(d) Such mortgage indebtedness shall not constitute a general obligation of such city, or of such utility district, but the holders thereof shall be entitled to look solely to the mortgaged property and the revenues derived from the operation thereof for the repayment of such indebtedness.

(e) All such certificates of indebtedness and mortgage bonds shall be signed by the mayor of such city and attested by the city controller, and shall on their face show the purpose for which they are issued and the character of the obligation created thereby. All such certificates of indebtedness and mortgage bonds, or either thereof, shall be exempt from all taxation.

SECTION 311. IC 8-1-11.1-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. This chapter being necessary for and intended to secure efficient and economical management and operation of utility properties in any consolidated city taking advantage of the provisions hereof, the said board of directors shall have full power to transact all the business pertaining to said

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management and operation of each and all such utilities, including the issuance of bonds, mortgages, and other forms of indebtedness, free from all control and supervision of the ~~state board of tax commissioners~~ **department of local government finance** of Indiana. This chapter shall be liberally construed to effectuate the purpose hereof, and if any one (1) or more sections, clauses, phrases, or parts thereof, of this chapter shall be held invalid, the remaining sections, clauses, phrases, or parts thereof, shall not be affected thereby, and the legislature declares that it would have enacted all other parts of said chapter even if any or all of the aforesaid portions thereof had not been included therein.

SECTION 312. IC 8-1-11.1-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. (a) All such revenue obligations shall be valid without the necessity of any approval of or ratification by either the commission or the ~~state board of tax commissioners~~ **department of local government finance** of Indiana. The board of directors for utilities, upon adopting a resolution authorizing such revenue obligations, shall certify a copy thereof to the city controller of such city who shall thereupon prepare said revenue obligations, and the same shall be issued in the name of the city and shall be executed by the mayor of said city and attested by the city controller and the clerk of the city-county council. Facsimile signatures may be used in executing such revenue obligations, provided that one or more of the signatures on the revenue obligations shall be manually signed, except that all signatures on interest coupons may be facsimile signatures.

(b) Certificates of indebtedness issued under section 23 of this chapter shall be executed solely by the president of the board of directors without the execution of the mayor. The signature of the president must be attested by the secretary of the board.

(c) Such revenue obligations shall be sold by the city controller of said city subject to the requirements of IC 5-1-11; provided, that any revenue obligations maturing within one (1) year of date of issuance need not be sold at public sale but may be sold in such manner as the board of directors for utilities may determine; and, provided further, that any revenue obligations may be offered for sale and sold to the United States or to any corporation owned or controlled by the United States without notice by publication. No suit to question the validity of any revenue obligations so issued or to prevent their issuance or sale shall be instituted after the date fixed for the sale of such revenue obligations and all such revenue obligations from and after such date shall be incontestable, except for fraud, forgery, or violation of

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constitutional provisions.

SECTION 313. IC 8-1.5-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. Before a municipal legislative body:

(1) proposes to construct or acquire a utility; and

(2) makes a determination as to public convenience and necessity;

it may appropriate out of its general fund an amount not exceeding five percent (5%) of the total estimated cost of constructing or acquiring the utility, as necessary to pay the expenses of a preliminary investigation, surveys, plans, specifications, and appraisals, including engineering and legal expenses in constructing or acquiring the utility. Any action by the municipal legislative body in making an appropriation is final and not subject to review by the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 314. IC 8-3-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. In all proceedings by or before the department as provided in this chapter, and in all proceedings in any court in this state as provided in this chapter, the department and such courts shall receive in evidence all schedules of rates and charges and rules in force by such carriers in this state and filed with the department as provided in this chapter and of all such rates and rules as shall be adopted by the department or ordered observed by any court of this state as provided in this chapter without formal proof thereof being made, and the department and such courts shall likewise also receive in evidence the contents of all reports made to the department by such carriers as required in this chapter, and of all official and statistical reports and publications, published by the bureau of statistics in this state, or by the ~~state board of tax commissioners,~~ **department of local government finance,** by the Interstate Commerce Commission, **and** by the department having control of the federal census and of the United States commissioner of corporations, without formal proof being offered concerning authenticity.

SECTION 315. IC 8-14-8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) A qualified county which:

(1) has adopted the county motor vehicle excise surtax under IC 6-3.5-4 and the county wheel tax under IC 6-3.5-5;

(2) is imposing the county motor vehicle excise surtax at:

(A) the maximum allowable rate, if the qualified county sets a county motor vehicle excise surtax rate under IC 6-3.5-4-2(a)(1); or

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(B) an amount of not less than twenty dollars ($20), if the qualified county sets the county motor vehicle excise surtax at a specific amount under IC 6-3.5-4-2(a)(2); and

(3) has not issued bonds under IC 8-14-9;

may apply to the Indiana department of transportation for a loan from the distressed road fund. At the time of the application, the county shall notify the ~~state board of tax commissioners~~ **department of local government finance** that it has made the application.

(b) The application must include, at a minimum:

(1) a map depicting all roads and streets in the system of the applicant; and

(2) a copy of that county's proposed program of work covering the current and the immediately following calendar year.

SECTION 316. IC 8-14-8-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) In evaluating each applicant's needs for a loan from the distressed road fund, the Indiana department of transportation shall use criteria that are consistent with good engineering practices. The criteria used must include, at a minimum:

(1) traffic counts and projected traffic;

(2) areas served;

(3) surface material and conditions;

(4) base material and depth;

(5) drainage, including culverts;

(6) width of roadway and right-of-way;

(7) soils upon which the road is placed;

(8) topography; and

(9) seasonal weather conditions and the effect on road repair and maintenance.

(b) In addition to the criteria listed in subsection (a), the department shall consider the minimum transportation needs of all areas regardless of population or vehicle registration, and the report filed with the department by the ~~state board of tax commissioners~~ **department of local government finance** under section 6 of this chapter.

SECTION 317. IC 8-14-8-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. Within thirty (30) days of the date of application for a loan by a qualified county, the ~~state board of tax commissioners~~ **department of local government finance** shall submit to the Indiana department of transportation a financial report which shall include the following:

(1) The amount of money available to the county for road construction and maintenance.

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(2) An analysis of the use, during the five (5) years immediately preceding the date of the loan application, of all highway money the county has received.

(3) Any other information required by the Indiana department of transportation for the processing of loan applications.

SECTION 318. IC 8-14-9-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Subject to the limitations imposed by this section, the local county road and bridge board may issue bonds in the name of the qualified county for the benefit of the local county road and bridge district. The bonds shall be issued for the purpose of raising money to acquire lands or rights-of-way, and to pay for any capital improvement, necessary for the construction, reconstruction, or operation of roads or bridges, or both, within the district. The local county road and bridge board may appropriate the proceeds of the bonds.

(b) The amount of bonds to be issued may not exceed the estimated cost of:

(1) all lands and rights-of-way to be acquired;

(2) capital improvements;

(3) supervision and inspection fees during the period of construction or reconstruction;

(4) programming, planning, and designing the capital improvements; and

(5) all necessary expenses, including publication of notices, engineering fees, architectural fees, and legal fees, incurred in acquiring property, letting contracts, and selling bonds for the project.

The amount of bonds issued for the project may not exceed the estimated cost determined under section 5(b) of this chapter. In addition, the amount of outstanding bonds issued by a county under this chapter may not exceed two percent (2%) of the adjusted value of taxable property located within the local county road and bridge district as determined under IC 36-1-15.

(c) The local county road and bridge board may issue bonds under this chapter only if the issuance of those bonds has been approved by:

(1) the county council of the qualified county; and

(2) the ~~state board of tax commissioners~~ **department of local government finance** as required by IC 6-1.1-18.5-8.

(d) A local county road and bridge board may issue bonds under this chapter only if:

(1) the county motor vehicle excise surtax (IC 6-3.5-4) and the county wheel tax (IC 6-3.5-5) are in effect in the county in which

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the local county road and bridge district is located;

(2) the county motor vehicle excise surtax is being imposed at the maximum allowable rate; and

(3) the county in which the local county road and bridge district is located has not obtained a loan under IC 8-14-8.

(e) No bonds may be issued under this section after June 30, 1984.

SECTION 319. IC 8-14-9-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. All bonds and interest on bonds issued under this chapter are exempt from taxation as provided under IC 6-8-5-1. All general laws relating to:

(1) the filing of a petition requesting the issuance of bonds;

(2) the right of taxpayers to remonstrate against the issuance of bonds;

(3) the appropriation of the proceeds of the bonds and the approval of the appropriation by the ~~state board of tax commissioners;~~ **department of local government finance;** and

(4) the sale of bonds at public sale for not less than par value;

are applicable to proceedings under this chapter.

SECTION 320. IC 8-14-11-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The executive of a county may apply to the board for a grant from the fund to be used to pay up to eighty percent (80%) of the cost of construction or reconstruction of one (1) or more local bridges. At the time of the application, the county executive shall notify the ~~state board of tax commissioners~~ **department of local government finance** that the county has made the application.

(b) The application must include the following:

(1) A description of the construction or reconstruction projects for which the grant application is made.

(2) The estimated cost of the projects.

(3) The amount of funding the county will provide for the projects, which must be at least twenty percent (20%) of the estimated cost of the projects. This amount may include the value of labor and materials to be provided by the county.

(4) Any other information that the board or the department considers necessary.

SECTION 321. IC 8-14-11-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. Within thirty (30) days after a county applies for a grant under section 12 of this chapter, the ~~state board of tax commissioners~~ **department of local government finance** shall submit to the department a financial report that includes the following information:

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(1) The amount of money available to the county for the construction and reconstruction of local bridges.

(2) Any other information required by the board or the department for the processing of grant applications.

SECTION 322. IC 8-16-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) To provide for the cumulative bridge fund, county executives and municipal legislative bodies may levy a tax in compliance with IC 6-1.1-41 not to exceed ten cents ($0.10) on each one hundred dollars ($100) assessed valuation of all taxable personal and real property within the county or municipality.

(b) The tax, when collected, shall be held in a special fund to be known as the bridge fund.

(c) An appropriation from the bridge fund may be made without the approval of the ~~state board of tax commissioners~~ **department of local government finance** if:

(1) the county executive requests the appropriation; and

(2) the appropriation is for the purpose of constructing, maintaining, or repairing bridges, approaches, or grade separations.

SECTION 323. IC 8-16-3.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. All contracts of lease may provide that a county has the option to purchase the bridge before the expiration of the lease contract, the terms and conditions of the purchase to be specified in the lease, subject to the approval of the ~~state board of tax commissioners.~~ **department of local government finance.** If the county has not exercised an option to purchase the property covered by the lease contract at the expiration of the lease contract, and upon the full discharge and performance by the county of its obligations under the lease contract, the bridge covered by the lease contract shall become the absolute property of the county and the lessor corporation shall execute proper instruments conveying to the county title to the property.

SECTION 324. IC 8-16-3.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A county may, in anticipation of the construction of a bridge, make and enter into a contract of lease with the lessor corporation subject to the approval of the ~~state board of tax commissioners~~ **department of local government finance** prior to the actual acquisition of a site and the construction of the bridge, but the contract of lease shall not provide for the payment of any lease rental by the lessee until the bridge is completed and ready for use, at which time the stipulated lease rental

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may begin.

(b) As a condition of entering into a lease, a county may require a lessor corporation to furnish a bond in a specified amount conditioned upon the completion of the bridge within a specified period of time.

SECTION 325. IC 8-16-3.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) When the lessor corporation and the county have agreed upon the terms and conditions of any lease proposed to be entered into under this chapter and before the final execution of the lease, a notice must be published in accordance with IC 5-3-1 of a hearing before the county executive. The notice must name the day, place, and hour of the hearing and must set forth a brief summary of the principal terms of the lease agreed upon, including the location, name of the proposed lessor corporation and character of the bridge to be leased, the rental to be paid, and the number of years the contract is to be in effect. The proposed lease, drawings, plans, specifications, and estimates for the bridge shall be available for inspection by the public during the ten (10) day period and at the meeting. All interested persons shall have a right to be heard at the time fixed, concerning the necessity for the execution of the lease and whether the rental to the lessor corporation is a fair and reasonable rental for the proposed bridge. The hearing may be adjourned to a later date, and following the hearing the county executive may either authorize the execution of the lease as originally agreed upon or may make modifications as agreed upon with the lessor corporation. However, the lease rentals as set out in the published notice may not be increased. The cost of the publication of the notice shall be borne by lessor corporations.

(b) If the execution of the lease as originally agreed upon, or as modified by agreement, is authorized by the county executive, it shall give notice of the execution of the contract by publication in accordance with IC 5-3-1. Ten (10) or more taxpayers in the lessee county affected by the proposed lease may file a petition in the office of the county auditor of the lessee county, within thirty (30) days after publication of notice of the execution of the lease, setting forth their objections and facts showing that the execution of the lease is unnecessary or unwise, or that the lease rental is not fair and reasonable. Upon the filing of any petition, the county auditor shall certify a copy, together with any other data as may be necessary in order to present the questions involved, to the ~~state board of tax commissioners~~ **department of local government finance** and upon the receipt of the certified petition and information, the ~~state board of tax commissioners~~ **department of local government finance** shall fix a

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time and place for the hearing in the county not less than five (5) or more than thirty (30) days after receipt of the petition. Notice of the hearing shall be given by the ~~state board of tax commissioners~~ **department of local government finance** to the county commissioners of the lessee county, and to the first ten (10) taxpayer-petitioners appearing on the petition by a letter signed by one (1) member of the ~~state board of tax commissioners,~~ **department of local government finance,** and enclosed with full prepaid postage addressed to those persons at their usual place of residence, at least five (5) days before the date of the hearing. The decision of the ~~state board of tax commissioners~~ **department of local government finance** of the appeal, upon the necessity for the execution of said lease and as to whether the rental is fair and reasonable, is final.

(c) No action to contest the validity of the lease or to enjoin the performance of any of the terms and conditions of the lease shall be instituted at any time later than thirty (30) days after publication of notice of the execution of the lease by the county executive or if an appeal has been taken to the ~~state board of tax commissioners,~~ **department of local government finance,** then within thirty (30) days after the decision of the ~~board.~~ **department.**

SECTION 326. IC 8-18-21-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. The annual operating budget of a toll road authority is subject to review by the county board of tax adjustment and then by the ~~state board of tax commissioners~~ **department of local government finance** as in the case of other political subdivisions.

SECTION 327. IC 8-22-2-18.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18.5. (a) The board may negotiate terms and borrow money from any source for the payment of the costs of airport capital improvements, including the acquisition of real property or construction or improvement of revenue producing buildings or facilities located on an airport and owned and operated by the eligible entity, subject to the following requirements:

(1) The loan contract must be approved by resolution of the board and the fiscal body of the eligible entity that established the board.

(2) The loan contract must provide for the repayment of the loan in not more than forty (40) years.

(3) The loan contract must state that the indebtedness is that of the board, is payable solely from revenues of the board that are derived from either airport operations or from revenue bonds, and may not be paid by a tax levied on property located within the

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district.

(4) The loan contract must be submitted to the ~~state board of tax commissioners,~~ **department of local government finance,** which may approve, disapprove, or reduce the amount of the proposed loan contract. The ~~state board of tax commissioners~~ **department of local government finance** must make a decision on the loan contract within thirty (30) days after the contract is submitted for review. The action taken by the ~~state board of tax commissioners~~ **department of local government finance** on the proposed loan contract is final.

(b) A loan contract issued under this chapter is issued for essential public and governmental purposes. A loan contract, the interest on the contract, the proceeds received by a holder from the sale of a loan contract to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of the interest and proceeds are exempt from taxation as provided in IC 6-8-5.

SECTION 328. IC 8-22-3-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) The board may issue general obligation bonds of the authority for the purpose of procuring funds to pay the cost of acquiring real property, or constructing, enlarging, improving, remodeling, repairing, or equipping buildings, structures, runways, or other facilities, for use as or in connection with or for administrative purposes of the airport. The issuance of the bonds must be authorized by ordinance of the board providing for the amount, terms, and tenor of the bonds and for the time and character of notice and the mode of making sale. If one (1) airport is owned by the authority, an ordinance authorizing the issuance of bonds for a separate second airport is subject to approval as provided in this section. The bonds bear interest and are payable at the times and places that the board determines but running not more than twenty-five (25) years after the date of their issuance, and they must be executed in the name of the authority by the president of the board and attested by the secretary who shall affix to each of the bonds the official seal of the authority. The interest coupons attached to the bonds may be executed by placing on them the facsimile signature of the president of the board.

(b) The issuance of general obligation bonds must be approved by resolution of the following body:

(1) When the authority is established by an eligible entity, by its fiscal body.

(2) When the authority is established by two (2) or more eligible

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entities acting jointly, by the fiscal body of each of those entities.

(3) When the authority was established under IC 19-6-2, by the mayor of the consolidated city, and if a second airport is to be funded, also by the city-county council.

(4) When the authority was established under IC 19-6-3, by the county council.

(c) The airport director shall manage and supervise the preparation, advertisement, and sale of the bonds, subject to the authorizing ordinance. Before the sale of the bonds, the airport director shall cause notice of the sale to be published once each week for two (2) consecutive weeks in two (2) newspapers of general circulation published in the district, setting out the time and place where bids will be received, the amount and maturity dates of the issue, the maximum interest rate, and the terms and conditions of sale and delivery of the bonds. The bonds shall be sold to the highest bidder, in accordance with the procedures for selling public bonds. After the bonds have been properly sold and executed, the airport director shall deliver them to the treasurer of the authority and take his receipt for them, and shall certify to the treasurer the amount which the purchaser is to pay for them, together with the name and address of the purchaser. On payment of the purchase price the treasurer shall deliver the bonds to the purchaser, and the treasurer and airport director or superintendent shall report their actions to the board.

(d) The provisions of IC 6-1.1-20 and IC 5-1 relating to the filing of a petition requesting the issuance of bonds and giving notice of them, the giving of notice of determination to issue bonds, the giving of notice of hearing on the appropriation of the proceeds of bonds and the right of taxpayers to appeal and be heard on the proposed appropriation, the approval of the appropriation by the ~~state board of tax commissioners,~~ **department of local government finance,** the right of taxpayers to remonstrate against the issuance of bonds, and the sale of bonds at public sale for not less than par value are applicable to proceedings under this chapter for the issuance of general obligation bonds.

(e) Bonds issued under this chapter are not a corporate obligation or indebtedness of any eligible entity but are an indebtedness of the authority as a municipal corporation. An action to question the validity of the bonds issued or to prevent their issue must be instituted not later than the date set for sale of the bonds, and all of the bonds after that date are incontestable.

SECTION 329. IC 8-22-3-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) Temporary

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loans may be made by the board in anticipation of the collection of taxes of the authority actually levied and in course of collection for the fiscal year in which the loans are made. The loans must be authorized by ordinance and evidenced by warrants in the form provided by the authorizing ordinance. The warrants must state the total amount of the issue, the denomination of the warrant, the time and place payable, the rate of interest, the funds in anticipation of which they are issued and out of which they are payable, and a reference to the ordinance authorizing them and the date of its adoption. The ordinance authorizing temporary loans must appropriate and pledge a sufficient amount of the current revenue in anticipation of which they are issued and out of which they are payable. The warrants evidencing the temporary loans must be executed, sold, and delivered as are bonds of the authority.

(b) The board may negotiate terms and borrow money from any source under a loan contract, subject to the following requirements:

(1) The loan contract must be approved by resolution of the board.

(2) The loan contract must provide for the repayment of the loan in not more than forty (40) years.

(3) The loan contract must state that the indebtedness is that of the authority, is payable solely from revenues of the authority that are derived from either airport operations or from revenue bonds, and may not be paid by a tax levied on property located within the district.

(4) The loan contract must be submitted to the ~~state board of tax commissioners,~~ **department of local government finance,** which may approve, disapprove, or reduce the amount of the proposed loan contract. The ~~state board of tax commissioners~~ **department of local government finance** must make a decision on the loan contract within thirty (30) days after it is submitted for review. The action taken by the ~~state board of tax commissioners~~ **department of local government finance** on the proposed loan contract is final.

(c) Any loan contract issued under this chapter is issued for essential public and governmental purposes. A loan contract, the interest on it, the proceeds received by a holder from the sale of a loan contract to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of the interest and proceeds are exempt from taxation as provided in IC 6-8-5.

SECTION 330. IC 8-22-3-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) The board

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shall annually prepare a budget for the purpose of operating and maintenance expenditures of the authority and shall calculate the tax levy necessary to provide funds for the operating expenditures necessary to carry out the powers, duties, and functions of the authority. The budget must be prepared and submitted:

(1) before or at the same time;

(2) in the same manner; and

(3) with notice;

as provided by the statutes relating to the preparation of budgets by eligible entities. The budget is subject to the same review by the county tax adjustment board and the ~~state board of tax commissioners~~ **department of local government finance** as exists under the general statutes relating to budgets of eligible entities.

(b) If the eligible entity that established the authority is a county, city, or town, the fiscal body of that entity may review and modify the authority's operating and maintenance budget and the tax levy to meet it, in the same manner as the budgets and tax levies of executive departments of that entity are reviewed and modified. This power includes the power to reduce any item of salary.

(c) Whenever a tax levy is required to finance the budget of an authority that was established by a city or town, the fiscal body of the county also may review the budget and tax levy of the authority, unless the district:

(1) lies wholly within, or coincides with, the boundaries of a city or town;

(2) is not the recipient of funds from a county-wide tax levy made specifically for the operating and maintenance budget for that authority; and

(3) was established by the fiscal body of the city or town, acting independently.

However, the budget and tax levy of the authority are subject to review or modification by the fiscal body of the city or town with which it shares territory, in the same manner as the budgets and tax levies of the executive departments of that city or town are reviewed or modified.

(d) If an authority was established by another eligible entity or by two (2) or more eligible entities acting jointly, its operating and maintenance budget and the tax levy to meet it is subject to review and modification by the same body that reviews and modifies the budget of each of those entities in the same manner as the budgets and tax levies of those entities, including reduction of any item of salary.

SECTION 331. IC 8-22-3-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. The tax levy as

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finally approved by the ~~state board of tax commissioners~~ **department of local government finance** must be assessed and collected by the county treasurer of the county or counties within which the district is located as other taxes are levied and collected. The county treasurer shall remit all taxes so collected to the treasurer of the authority.

SECTION 332. IC 8-22-3.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) As used in this section, "base assessed value" means:

(1) the net assessed value of all the tangible property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the commission's resolution adopted under section 5 of this chapter; plus

(2) to the extent it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the ~~state board of tax commissioners,~~ **department of local government finance,** as finally determined for any assessment date after the effective date of the allocation provision.

However, subdivision (2) applies only to an airport development zone established after June 30, 1997, and the portion of an airport development zone established before June 30, 1997, that is added to an existing airport development zone.

(b) Except in a county described in section 1(5) of this chapter, a resolution adopted under section 5 of this chapter and confirmed under section 6 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section.

(c) The allocation provision must:

(1) apply to the entire airport development zone; and

(2) require that any property tax on taxable tangible property subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes in the airport development zone be allocated and distributed as provided in subsections (d) and (e).

(d) Except in a county described in section 1(5) of this chapter, and as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(1) the assessed value of the tangible property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value;

shall be allocated and, when collected, paid into the funds of the

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respective taxing units.

(e) Except in a county described in section 1(5) of this chapter, all of the property tax proceeds in excess of those described in subsection (d) shall be allocated to the eligible entity for the airport development zone and, when collected, paid into special funds as follows:

(1) The commission may determine that a portion of tax proceeds shall be allocated to a training grant fund to be expended by the commission without appropriation solely for the purpose of reimbursing training expenses incurred by public or private entities in the training of employees for the qualified airport development project.

(2) Except as provided in subsection (f), all remaining tax proceeds shall be allocated to a debt service fund and dedicated to the payment of principal and interest on revenue bonds of the airport authority for a qualified airport development project or to the payment of leases for a qualified airport development project.

(f) Except in a county described in section 1(5) of this chapter, if the tax proceeds allocated to the debt service fund exceed the amount necessary to:

(1) pay principal and interest on airport authority revenue bonds;

(2) pay lease rentals on leases of a qualified airport development project; or

(3) create, maintain, or restore a reserve for airport authority revenue bonds or for lease rentals or leases of a qualified airport development project;

the excess over that amount shall be paid to the respective taxing units in the manner prescribed by subsection (d).

(g) Except in a county described in section 1(5) of this chapter, when money in the debt service fund is sufficient to pay all outstanding principal and interest (to the earliest date on which the obligations can be redeemed) on revenue bonds issued by the airport authority for the financing of qualified airport development projects and all lease rentals payable on leases of qualified airport development projects, money in the debt service fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subsection (d).

(h) Except in a county described in section 1(5) of this chapter, property tax proceeds allocable to the debt service fund under subsection (e)(2) must, subject to subsection (g), be irrevocably pledged by the eligible entity for the purpose set forth in subsection (e)(2).

(i) Except in a county described in section 1(5) of this chapter, and notwithstanding any other law, each assessor shall, upon petition of the

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commission, reassess the taxable tangible property situated upon or in, or added to, the airport development zone effective on the next assessment date after the petition.

(j) Except in a county described in section 1(5) of this chapter, and notwithstanding any other law, the assessed value of all taxable tangible property in the airport development zone, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the tangible property as valued without regard to this section; or

(2) the base assessed value.

SECTION 333. IC 8-22-3.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) The state board of accounts and ~~state board of tax commissioners~~ **the department of local government finance** shall make the rules and prescribe the forms and procedures that the state board of accounts and ~~state board of tax commissioners~~ **department** consider appropriate for the implementation of this chapter.

(b) After each general reassessment under IC 6-1.1-4, the ~~state board of tax commissioners~~ **department of local government finance** shall adjust the base assessed value (as defined in section 9 of this chapter) one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.

SECTION 334. IC 8-22-3.5-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) This section applies only to an airport development zone that is in a:

(1) city described in section 1(2) of this chapter; or

(2) county described in section 1(3) or 1(4) of this chapter.

(b) Notwithstanding any other law, a business or an employee of a business that is located in an airport development zone is entitled to the benefits provided by the following statutes, as if the business were located in an enterprise zone:

(1) IC 6-1.1-20.8.

(2) IC 6-2.1-3-32.

(3) IC 6-3-2-8.

(4) IC 6-3-3-10.

(5) IC 6-3.1-7.

(6) IC 6-3.1-9.

(7) IC 6-3.1-10-6.

(c) Before June 1 of each year, a business described in subsection

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(b) must pay a fee equal to the amount of the fee that is required for enterprise zone businesses under IC 4-4-6.1-2(4)(A). However, notwithstanding IC 4-4-6.1-2(4)(A), the fee shall be paid into the debt service fund established under section 9(e)(2) of this chapter. If the commission determines that a business has failed to pay the fee required by this subsection, the business is not eligible for any of the benefits described in subsection (b).

(d) A business that receives any of the benefits described in subsection (b) must use all of those benefits, except for the amount of the fee required by subsection (c), for its property or employees in the airport development zone and to assist the commission. If the commission determines that a business has failed to use its benefits in the manner required by this subsection, the business is not eligible for any of the benefits described in subsection (b).

(e) If the commission determines that a business has failed to pay the fee required by subsection (c) or has failed to use benefits in the manner required by subsection (d), the commission shall provide written notice of the determination to the department of state revenue, the ~~state board of tax commissioners,~~ **department of local government finance,** and the county auditor.

SECTION 335. IC 8-22-3.5-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) This section applies only to an airport development zone that is located in a county described in section 1(5) of this chapter.

(b) Except as described in this section, and notwithstanding any other law, a business or an employee of a business that is located in an airport development zone is entitled to the benefits of the enterprise zone inventory property tax credit under IC 6-1.1-20.8.

(c) The benefits under this section are available only to:

(1) a business new to the airport development zone; or

(2) an existing business in the airport development zone that expands its operation.

(d) To be eligible for the benefits under this section, the business must submit a proposal to the commission for approval. The commission may adopt standards and procedures for the proposal. In addition to other items the commission determines must be included, the proposal must state the percentage of permanent jobs which the business will create in the airport development zone.

(e) A business must obtain the approval of:

(1) the city fiscal body if the business is located in a city; or

(2) the county council if the business is not located within a city;

before the business is entitled to any benefits under this section. A city

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or county fiscal body may approve by any method benefits under this section for either an individual business or a group of businesses. A city or county fiscal body may adopt standards and procedures to implement this subsection.

(f) If the business receives the approval of:

(1) the commission under subsection (d); and

(2) the appropriate council under subsection (e);

then before June 1 of each year, a business described in subsection (b) must pay a fee equal to the amount of the fee that is required for enterprise zone businesses under IC 4-4-6.1-2(4)(A). If the commission determines that a business has failed to pay the fee required by this subsection, the business is not eligible for any of the benefits described in subsection (b).

(g) A business that receives any of the benefits described in subsection (b) must use all of those benefits, except for the amount of the fee required by subsection (d), for its property or employees in the airport development zone and to assist the commission. If the commission determines that a business has failed to use its benefits in the manner required by this subsection, the business is not eligible for any of the benefits described in subsection (b).

(h) If the commission determines that a business has failed to pay the fee required by subsection (f) or has failed to use benefits in the manner required by subsection (g), the commission shall provide written notice of the determination to the department of state revenue, the ~~state board of tax commissioners,~~ **department of local government finance,** and the county auditor.

SECTION 336. IC 8-22-3.6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) An authority that is located in a:

(1) city having a population of more than one hundred ten thousand (110,000) but less than one hundred twenty thousand (120,000);

(2) county having a population of more than ~~one hundred thousand (100,000) but less than one hundred seven thousand (107,000);~~ **one hundred five thousand (105,000) but less than one hundred ten thousand (110,000);** or

(3) county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000);

may enter into a lease of an airport project with a lessor for a term not to exceed fifty (50) years and the lease may provide for payments to be made by the airport authority from property taxes levied under

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IC 8-22-3-17, taxes allocated under IC 8-22-3.5-9, any other revenues available to the airport authority, or any combination of these sources.

(b) A lease may provide that payments by the authority to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the authority or the eligible entity for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the authority only after a public hearing by the board at which all interested parties are provided the opportunity to be heard. After the public hearing, the board may adopt an ordinance authorizing the execution of the lease if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the authority and is in the best interest of the residents of the authority district.

(d) Upon execution of a lease providing for payments by the authority in whole or in part from the levy of property taxes under IC 8-22-3-17, the board shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the authority district who will be affected by the lease and who may be of the opinion that no necessity exists for the execution of the lease or that the payments provided for in the lease are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and approval. The petition must set forth the petitioners' names, addresses, and objections to the lease and the facts showing that the execution of the lease is unnecessary or unwise or that the payments provided for in the lease are not fair and reasonable, as the case may be.

(e) Upon the filing of a petition under subsection (d), the county auditor shall immediately certify a copy of the petition, together with any other data necessary to present the questions involved, to the ~~state board of tax commissioners.~~ **department of local government finance.** Upon receipt of the certified petition and information, the ~~state board of tax commissioners~~ **department of local government finance** shall fix a time and place for a hearing in the authority district, which must be not less than five (5) or more than thirty (30) days after the time is fixed. Notice of the hearing shall be given by the ~~state board of tax commissioners~~ **department of local government finance** to the members of the board, and to the first fifty (50) petitioners on the petition, by a letter signed by one (1) member of the state board of tax commissioners and enclosed with fully prepaid postage sent to those

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persons at their usual place of residence, at least five (5) days before the date of the hearing. The decision of the ~~state board of tax commissioners~~ **department of local government finance** on the appeal, upon the necessity for the execution of the lease, and as to whether the payments under it are fair and reasonable, is final.

(f) An authority entering into a lease payable from any sources permitted under this chapter may:

(1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; or

(2) establish a special fund to make the payments.

(g) Lease rentals may be limited to money in the special fund so that the obligations of the airport authority to make the lease rental payments are not considered debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(h) Except as provided in this section, no approvals of any governmental body or agency are required before the authority enters into a lease under this section.

(i) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the later of:

(1) the public hearing described in subsection (c); or

(2) the publication of the notice of the execution and approval of the lease described in subsection (d), if the lease is payable in whole or in part from tax levies.

However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the ~~state board of tax commissioners,~~ **department of local government finance,** an action to contest the validity or enjoin the performance must be brought within thirty (30) days after the decision of the ~~state board of tax commissioners.~~ **department of local government finance.**

(j) If an authority exercises an option to buy an airport project from a lessor, the authority may subsequently sell the airport project, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the authority through auction, appraisal, or arms length negotiation. If the airport project is sold at auction, after appraisal, or through negotiation, the board shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days of the hearing.

SECTION 337. IC 10-4-1-29, AS ADDED BY P.L.178-1999, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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UPON PASSAGE]: Sec. 29. (a) As used in this section, "eligible entity" means a county, city, or town.

(b) As used in this section, "fund" refers to the state disaster relief fund established by this section.

(c) As used in this section, "public facility" means any:

(1) building or structure;

(2) bridge, road, highway, or public way;

(3) park or recreational facility;

(4) sanitary sewer system or wastewater treatment facility;

(5) drainage or flood control facility;

(6) water treatment, water storage, or water distribution facility; or

(7) other improvement or infrastructure;

owned by, maintained by, or operated by or on behalf of an eligible entity.

(d) The state disaster relief fund is established to provide money to assist eligible entities in paying for the costs of damage to public facilities resulting from disasters.

(e) The fund consists of money appropriated by the general assembly. The fund shall be administered by the department. Expenses of administering the fund shall be paid from money in the fund. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(f) Money in the fund is appropriated to carry out the purposes of the fund as provided in this section. Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(g) Subject to the restrictions under this section, the department may use money in the fund to make grants to an eligible entity that:

(1) contains territory for which a disaster emergency has been declared by the governor;

(2) has suffered damage to the entity's public facilities because of the disaster for which the disaster emergency was declared;

(3) has applied to the department for a grant; and

(4) complies with all other requirements established by the department.

(h) Except as provided in subsection (i), the department may not make a grant to an eligible entity under this section unless the damage to the entity's public facilities caused by the disaster exceeds an amount equal to one dollar ($1) multiplied by the population of the entity. A grant to an eligible entity under this subsection may not exceed an

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amount equal to:

(1) fifty percent (50%); multiplied by

(2) the result of:

(A) the total cost of the damage to the entity's public facilities caused by the disaster; minus

(B) an amount equal to one dollar ($1) multiplied by the population of the entity.

(i) If the governor declares more than one (1) disaster emergency in the same year for territory in an eligible entity, the department may, in addition to a grant under subsection (h), make a grant to the entity under this subsection if the total cumulative cost of the damage to the entity's public facilities caused by the disasters exceeds an amount equal to two dollars ($2) multiplied by the population of the entity. A grant to an eligible entity under this subsection may not exceed:

(1) the product of:

(A) fifty percent (50%); multiplied by

(B) the total cumulative cost of the damage to the entity's public facilities caused by all disasters in the year; minus

(2) any grants previously made under subsection (h) to the entity during the year.

(j) To qualify for a grant under this section, the executive of an eligible entity must apply to the department on forms provided by the department. The application must include the following:

(1) A description and estimated cost of the damage caused by the disaster to the entity's public facilities.

(2) The manner in which the entity intends to use the grant money.

(3) Any other information required by the department.

(k) The fiscal officer of an entity receiving a grant under this section shall:

(1) establish a separate account within the entity's general fund; and

(2) deposit any grant proceeds received under this section in the account.

The ~~state board of tax commissioners~~ **department of local government finance** may not reduce an entity's maximum or actual property tax levy under IC 6-1.1-18.5 on account of grant money deposited in the account.

(l) The department shall adopt rules under IC 4-22-2 to carry out this section.

SECTION 338. IC 12-7-2-57.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 57.5. **(a)**

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"Department", for purposes of IC 12-13-14, has the meaning set forth in IC 12-13-14-1.

(b) "Department", for purposes of IC 12-20, refers to the department of local government finance established by IC 6-1.1-30-1.1.

SECTION 339. IC 12-13-8-4, AS AMENDED BY P.L.273-1999, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. For taxes first due and payable in 1990, each county shall impose a medical assistance property tax levy equal to the amount determined using the following formula:

STEP ONE: Determine the sum of the amounts that were incurred by the county as determined by the state board of accounts for all medical care, including psychiatric care and institutional psychiatric care, for wards of the county office (described in IC 12-15-2-16) that was provided in 1986, 1987, and 1988.

STEP TWO: Subtract from the amount determined in STEP ONE the sum of:

(A) the amount of bank taxes (IC 6-5-10);

(B) the amount of savings and loan association taxes (IC 6-5-11);

(C) the amount of production credit association taxes (IC 6-5-12); plus

(D) the amount of motor vehicle excise taxes (IC 6-6-5);

that were allocated to the county welfare fund and used to pay for the medical care for wards provided in 1986, 1987, and 1988.

STEP THREE: Divide the amount determined in STEP TWO by three (3).

STEP FOUR: Adjust the amount determined in STEP THREE by the amount determined by the ~~state board of tax commissioners~~ **department of local government finance** under section 6 of this chapter.

STEP FIVE: Multiply the amount determined in STEP FOUR by the greater of:

(A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the county for property taxes first due and payable in 1990; or

(B) the statewide average assessed value growth quotient using the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for property taxes first due and payable in 1990.

STEP SIX: Multiply the amount determined in STEP FIVE by the

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statewide average assessed value growth quotient, using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this section will be first due and payable.

SECTION 340. IC 12-13-8-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. For taxes first due and payable in 1991 and 1992, the ~~state board of tax commissioners~~ **department of local government finance** shall adjust the levy for each county to reflect the actual expenses incurred for all medical care, including psychiatric care and institutional psychiatric care, for wards of the county office that was provided in the preceding two (2) years. In making this adjustment, the ~~state board of tax commissioners~~ **department of local government finance** may consider all relevant information. This includes the county's use of bond and loan proceeds to make payments for the medical care for wards.

SECTION 341. IC 12-13-8-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. The ~~state board of tax commissioners~~ **department of local government finance** shall review each county's property tax levy under this section and shall enforce the requirements of this chapter with respect to the levy.

SECTION 342. IC 12-16-14-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. The ~~state board of tax commissioners~~ **department of local government finance** shall review each county's property tax levy under this chapter and shall enforce the requirements of this chapter with respect to that levy.

SECTION 343. IC 12-16.1-13-1, AS ADDED BY P.L.283-2001, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. The ~~state board of tax commissioners~~ **department of local government finance** shall review each county's property tax levy under IC 12-16-14-1(1) and shall enforce the requirements of this chapter with respect to that levy.

SECTION 344. IC 12-19-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) For taxes first due and payable in 1995, each county must impose a county family and children property tax levy equal to the amount determined using the following formula:

STEP ONE: Determine the sum of the amounts that were paid by the county minus the amounts reimbursed by the state (including reimbursements made with federal money), as determined by the state board of accounts, in 1991, 1992, and 1993 for the following:

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(A) Payments for administrative expenses of the county office of family and children in administering the provision of child services.

(B) Payments for the services described in section 1 of this chapter that were made on behalf of the children described in section 1 of this chapter and for which payment was made from the county welfare fund.

(C) Payment for the facilities, supplies, and equipment needed for the provision of child services as operated by the county office of family and children.

(D) Payment of all other expenses incurred in providing child services that were paid by the county office of family and children.

STEP TWO: Subtract from the amount determined in STEP ONE the sum of the miscellaneous taxes that were allocated to:

(A) the county welfare administration fund and used to pay expenses for administration, facilities, supplies, and equipment for the provision of child services in 1991, 1992, and 1993; and

(B) the county welfare fund, the county general fund, or the county welfare loan fund (whichever of the funds applies) and used to pay the costs of providing child services in 1991, 1992, and 1993.

STEP THREE: Divide the amount determined in STEP TWO by three (3).

STEP FOUR: Calculate the STEP ONE amount and the STEP TWO amount for 1993 expenses only.

STEP FIVE: Adjust the amounts determined in STEP THREE and STEP FOUR by the amount determined by the ~~state board of tax commissioners~~ **department of local government finance** under subsection (c).

STEP SIX: Determine whether the amount calculated in STEP THREE, as adjusted in STEP FIVE, or the amount calculated in STEP FOUR, as adjusted in STEP FIVE, is greater. Multiply the greater amount by the greater of:

(A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the county for property taxes first due and payable in 1995; or

(B) the statewide average assessed value growth quotient using the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for property taxes first due and payable in 1995.

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STEP SEVEN: Multiply the amount determined in STEP SIX by the county's assessed value growth quotient for property taxes first due and payable in 1995, as determined under IC 6-1.1-18.5-2.

(b) For taxes first due and payable in each year after 1995, each county shall impose a county family and children property tax levy equal to the product of:

(1) the county family and children property tax levy imposed for taxes first due and payable in the preceding year; multiplied by

(2) the greater of:

(A) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2; or

(B) one (1).

When a year in which a statewide general reassessment of real property first becomes effective is the year preceding the year that the property tax levy under this subsection will be first due and payable, the amount to be used in subdivision (2) equals the average of the amounts used in determining the two (2) most recent adjustments in the county's levy under this section.

(c) For taxes first due and payable in 1995 and in 1996, the ~~state board of tax commissioners~~ **department of local government finance** shall adjust the levy for each county to reflect the county's actual child services expenses incurred in providing child services in 1991, 1992, and 1993. In making this adjustment, the ~~state board of tax commissioners~~ **department of local government finance** may consider all relevant information, including the county's use of bond and loan proceeds to pay these expenses.

(d) The ~~state board of tax commissioners~~ **department of local government finance** shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy.

SECTION 345. IC 12-19-7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. For taxes first due and payable in 1995, the ~~state board of tax commissioners~~ **department of local government finance** shall reduce the maximum levy for the county welfare fund or the county general fund (in whatever amounts are appropriate) by an amount equal to the amount paid for child services from the respective funds in 1994.

SECTION 346. IC 12-19-7-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. The provisions of laws concerning the right of a taxpayer to file a remonstrance and to appeal to the ~~state board of tax commissioners~~ **department of local government finance** apply to this chapter. However, the notice of the

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determination shall be given in one (1) publication. A taxpayer has ten (10) days after the date of publication to file a remonstrance.

SECTION 347. IC 12-20-21-4, AS AMENDED BY P.L.259-2001, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. If the board of commissioners determines from the quarterly reports filed by the township trustee under IC 12-20-21-5 with the county auditor and the levies made by the respective townships for poor relief purposes that there will be insufficient money in the township poor relief fund to provide free and available money during the following year for poor relief purposes on the basis of the total costs of poor relief granted by the township trustees, as administrators of poor relief, for the previous twelve (12) months:

(1) the board of commissioners may include estimates for the advancements in the county general fund budget;

(2) the county fiscal body may appropriate for the advancement in the budget and levy as adopted by the county fiscal body; and

(3) the ~~state board of tax commissioners~~ **department** shall include that amount in the final county general fund levy.

SECTION 348. IC 12-20-22-2, AS AMENDED BY P.L.101-2000, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Copies of all township budgets for current poor relief shall, as finally adopted and approved, be placed on file in the office of the county auditor. If an additional appropriation for current poor relief is made by a township:

(1) a certified copy of the action of the township board in making the additional appropriation; and

(2) a certified copy of the order of the ~~state board of tax commissioners~~ **department** approving the additional appropriation;

shall be filed in the office of the county auditor.

(b) A township trustee may not pay any poor relief order or claim in excess of the amount appropriated for current poor relief purposes, except as otherwise provided by law.

SECTION 349. IC 12-20-23-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) The provisions of law in effect on March 2, 1935, concerning rights of taxpayers to file a remonstrance and appeal to the ~~state tax board~~ **department of local government finance** apply to this chapter, except as provided in subsections (b) and (c).

(b) The notice of determination shall be given by one (1) publication only.

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(c) Taxpayers have ten (10) days after the date of the publication to file a remonstrance as provided by law on March 2, 1935.

SECTION 350. IC 12-20-23-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) All bonds issued under IC 12-2-5 (before its repeal) or this chapter are the direct general obligations of the county issuing the bonds, payable out of unlimited ad valorem taxes to be levied and collected on all of the taxable property within the county. Each official and body having to do with the levying of taxes for the county shall ensure that sufficient levies are made to meet the principal and interest on the bonds at the time fixed for the payment of the bonds, without regard for the provisions of any other statute. If an official or a body fails or refuses to make or allow a sufficient levy, the bonds and the interest on the bonds are payable out of the general fund of the county without an appropriation being made for the payment.

(b) A tax levy required by IC 12-2-5-6(a) (before its repeal) or subsection (a) may be reduced by the amount the county will receive in reimbursements from each township that receives an advancement of bond proceeds. The ~~state board of tax commissioners~~ **department** shall determine the amount the county will receive for each year that the bond principal and interest are payable. However, to the extent that the advancements together with all other township indebtedness exceed two percent (2%) of the adjusted value of the taxable property in the township as determined under IC 36-1-15, the township may not impose an ad valorem property tax levy to reimburse the county and the county is liable for the principal and interest obligations on the bonds.

SECTION 351. IC 12-20-24-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) If the county council determines under section 3 of this chapter to allow the loan to be made, the county auditor shall borrow the money from a financial institution on behalf of the township board.

(b) If the county council determines that the township board should not be allowed to borrow money under this chapter, the county council shall inform the township board of the council's decision.

(c) If the county council determines that a township board should not be allowed to borrow money under this chapter, the township board may appeal to the ~~state board of tax commissioners~~ **department** for the right to borrow money to pay for the township's poor relief obligations.

SECTION 352. IC 12-20-24-5, AS AMENDED BY P.L.101-2000, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) If upon appeal under section 4 of this chapter the ~~state board of tax commissioners~~ **department** determines

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that a township board should be allowed to borrow money under this chapter, the ~~state board of tax commissioners~~ **department** shall order the township trustee to borrow the money from a financial institution on behalf of the township board and to deposit the money borrowed in the township's poor relief account.

(b) If upon appeal under section 4 of this chapter the ~~state board of tax commissioners~~ **department** determines that the township board should not be allowed to borrow money, the board may not do so for that year.

SECTION 353. IC 12-20-24-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. If a loan is approved under IC 12-2-4.5 (before its repeal) or this chapter, the board of commissioners, county council, or ~~state board of tax commissioners~~ **department** shall determine the period during which the township shall repay the loan. However, the period may not exceed five (5) years.

SECTION 354. IC 12-20-24-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. A board of commissioners, a county council, or the ~~state board of tax commissioners~~ **department** may not do any of the following:

(1) Approve a request to borrow money made under IC 12-2-4.5 (before its repeal) or this chapter unless the body determines that the township's poor relief account will be exhausted before the account can fund all township obligations incurred under this article.

(2) Recommend or approve a loan that will exceed the estimated amount of the deficit.

SECTION 355. IC 12-20-24-8, AS AMENDED BY P.L.101-2000, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) If a township board:

(1) appeals before August 1 for permission to borrow money;

(2) receives permission from the board of commissioners, county council, or ~~state board of tax commissioners~~ **department** to borrow money before November 1 of that year; and

(3) borrows money under this chapter;

the township board shall levy a property tax beginning in the next succeeding year and continuing for the term of the loan in an amount each year that will be sufficient to pay the principal and interest due on the loan for the year.

(b) If a township board:

(1) appeals after August 1 for permission to borrow money;

(2) receives permission from the board of commissioners, county

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council, or ~~state board of tax commissioners~~ **department** to borrow money; and

(3) borrows money in the year of the appeal under this chapter;

the township board shall levy a property tax beginning in the second succeeding year and continuing for the term of the loan in an amount each year that will be sufficient to pay the principal and interest due on the loan for the year.

(c) The property taxes levied under this section shall be retained by the township trustee and applied by the township trustee to retire the debt.

SECTION 356. IC 12-20-25-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) Upon receipt of notice from the trustee that the township has become a distressed township, the county fiscal body shall do the following:

(1) Determine whether the township is a distressed township.

(2) If the township is determined to be a distressed township, certify to the governor that the township is a distressed township.

(b) If:

(1) the trustee fails to notify the county fiscal body when the township becomes a distressed township; or

(2) the county fiscal body fails to certify to the governor that the township is a distressed township;

any taxpayer of the township may notify the ~~state board of tax commissioners,~~ **department,** which shall make the determination required by subsection (a)(1) and, if appropriate, make the certification to the governor required by subsection (a)(2).

SECTION 357. IC 12-20-25-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. Upon receipt of a certification under section 7 of this chapter, the governor shall appoint a four (4) member management committee to assume the township trustee's duties as administrator of poor relief. The committee must consist of one (1) representative from each of the following:

(1) The budget agency. This member serves as chairperson.

(2) The state board of accounts.

(3) The ~~state board of tax commissioners.~~ **department.**

(4) The division of family and children.

SECTION 358. IC 12-20-25-29 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 29. (a) A township poor relief control board is established for each distressed township. The governor shall appoint the following members to the control board:

(1) The budget director or the director's designee, who shall serve as the chairman of the board.

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(2) One (1) representative of the state board of accounts.
(3) One (1) representative of the ~~state board of tax commissioners.~~ **department.**
(4) One (1) representative of the division of family and children.
(5) One (1) elected public official of the county.
(6) One (1) township trustee.
(7) One (1) individual who:
(A) resides in the county or is employed in the county by an employer paying taxes in the county; and
(B) is or agrees to become familiar with poor relief.
(8) The township trustee of the distressed township, who shall serve as a nonvoting ex officio member of the control board.

(b) The members of the control board serve at the pleasure of the governor.

(c) Each member of the board who is not a state employee or an elected official is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). Such a member is also entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

SECTION 359. IC 12-20-25-36 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 36. (a) Notwithstanding IC 6-1.1-17, if the county fiscal body:
(1) adopts an ordinance under section 35(b)(2) of this chapter; or
(2) fails to adopt an ordinance under section 35(b) of this chapter;
the ~~state board of tax commissioners~~ **department** shall reduce the county's general fund budget and increase the distressed township's poor relief account budget in an amount sufficient to satisfy the requirements of section 33(a)(2) of this chapter. The ~~state board of tax commissioners~~ **department** shall notify the county auditor and county treasurer of the county general fund reduction and the county treasurer shall transfer from the county general fund to the distressed township's poor relief account the amount specified by the ~~state board of tax commissioners.~~ **department.**

(b) Notwithstanding IC 6-1.1-18.5, if a county is required to transfer money to a distressed township's poor relief account under subsection (a), the county may not appeal for an excessive levy under IC 6-1.1-18.5 to replace money that is transferred from the county general fund.

SECTION 360. IC 12-20-25-41 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 41. (a) As used in

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subsection (c), "advance" refers to money provided to a distressed township from the state general fund under section 38 of this chapter.

(b) As used in subsection (c), "support" refers to money provided from the distressed township supplemental poor relief fund established by section 51 of this chapter to pay poor relief claims and the operating costs of the management committee during the period the management committee is in control of the township trustee's office.

(c) The controlled status of a township under this chapter terminates at the end of a year if at that time the county, with respect to each controlled township:

(1) has repaid:

(A) all state advances provided to the county under this chapter; and

(B) state support provided to the county under this chapter if the ~~state board of tax commissioners~~ **department** has reduced the county's general fund budget under section 36 of this chapter;

(2) has paid all valid poor relief claims in the distressed township, including the claims approved under section 27 or 28 of this chapter;

(3) will have sufficient money to pay, not more than thirty (30) days after a claim is submitted for payment, all valid poor relief claims in the distressed township that are expected to be submitted in the following year as determined by the control board, excluding any advances from the state, revenues from short term loans from the county or a financial institution under IC 12-2-4.5 (before its repeal) or IC 12-20-24, and proceeds from bonds issued under IC 12-2-1 (before its repeal), IC 12-2-5 (before its repeal), or this article; and

(4) has no bonds outstanding that were issued to pay for poor relief in the distressed township.

(d) Notwithstanding IC 6-3.5-1.1 and IC 6-3.5-6, if the control board finds that:

(1) the requirements of subsection (c)(1), (c)(2), and (c)(4) are satisfied; and

(2) the requirements of subsection (c)(3) cannot be satisfied because the township's maximum permissible ad valorem property tax levy provides insufficient revenue to ensure the payment of all valid poor relief claims in the distressed township that will be incurred during the year following the termination of the controlled status of the township;

the county fiscal body may dedicate to the provision of poor relief,

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from the county adjusted gross income tax or the county option income tax imposed as a result of adopting a financial plan under section 35 of this chapter, an amount necessary to satisfy the requirements of subsection (c)(3).

(e) If the control board finds that the income tax dedicated under subsection (d) will satisfy the requirements of subsection (c)(3), the controlled status of the township under this chapter terminates at the end of the year in which the control board makes the board's finding.

SECTION 361. IC 12-20-25-42 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 42. (a) This section applies to a township that was certified a distressed township before January 1, 1988.

(b) The controlled status of the distressed township is terminated on July 1, 1989, if the ~~state board of tax commissioners~~ **department** finds that the following conditions exist:

(1) All valid poor relief claims in the distressed township, including the claims approved under IC 12-2-14-22 (before its repeal), IC 12-2-14-23 (before its repeal), or section 27 or 28 of this chapter, have been paid, except for the following:

(A) Claims under litigation before the date of the board's finding.

(B) Obligations owed to other political subdivisions.

(2) The township has no bonds outstanding that were issued to pay for poor relief in the distressed township.

(c) Notwithstanding section 4(2) of this chapter, if a township that has had the township's distressed status terminated under subsection (b) uses advances from the county from proceeds of bonds issued under IC 12-2-1 (before its repeal) or this article to pay poor relief claims more than one (1) time in the five (5) years following the termination of the township's distressed status, the township must have the township's civil and poor relief budgets reviewed and approved by the county fiscal body in each year that a tax is levied against the property in the township to repay the advances. The decision of the county fiscal body may be appealed to the ~~state board of tax commissioners.~~ **department.**

(d) Notwithstanding IC 12-2-5-6 (before its repeal), IC 12-2-5-8 (before its repeal), IC 12-20-23-15, and IC 12-20-23-19, the aggregate principal amount of any outstanding debt that is incurred to pay poor relief claims during the five (5) years following the termination of the township's distressed status under subsection (b) and that is in excess of one-tenth percent (0.1%) of the adjusted valued of taxable property in the township as determined under IC 36-1-15 is the direct general

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obligation of the county.

SECTION 362. IC 12-20-25-43 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 43. Notwithstanding IC 6-3.5-1.1 and IC 6-3.5-6, if:

(1) there has been a controlled township in a county;

(2) the township that has been controlled has levied the township's maximum permissible ad valorem property tax levy for poor relief;

(3) the maximum permissible ad valorem property tax levy is insufficient to ensure the payment within thirty (30) days of all valid poor relief claims in the township; and

(4) the county adjusted gross income tax or county option income tax is in effect in the county as a result of adopting a financial plan under this chapter;

the county fiscal body shall dedicate from the county adjusted gross income tax or county option income tax imposed under this chapter an amount of revenue determined by the ~~state board of tax commissioners~~ **department** to be necessary to ensure the payment within thirty (30) days of all poor relief claims in the township that has been controlled. The county fiscal body shall distribute any income tax revenues dedicated under this section before the fiscal body makes any other distributions in accordance with this chapter. Notwithstanding section 45 of this chapter, the county fiscal body may not reduce the county option income tax rate below the rate necessary to satisfy the requirements of this section.

SECTION 363. IC 12-20-25-49 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 49. Each distressed township shall take all action necessary to levy the maximum permissible ad valorem property tax levy for poor relief permitted under IC 6-1.1-18.5. If a distressed township fails to take this action, the ~~state board of tax commissioners~~ **department** shall adjust, in the board's certificate of levies of governmental entities in the county, the township's proposed levy so that the levy is the maximum permissible ad valorem property tax levy.

SECTION 364. IC 12-20-28-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The definitions in this section apply to a report that is required to be filed under this section.

(b) As used in this section, "total number of households containing poor relief recipients" means the sum to be determined by counting the total number of individuals who file an application for which relief is granted. A household may be counted only once during a calendar year

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regardless of the number of times assistance is provided if the same individual makes the application for assistance.

(c) As used in this section, "total number of recipients" means the number of individuals who are members of a household that receives assistance on at least one (1) occasion during the calendar year. An individual may be counted only one (1) time during a calendar year regardless of the:

(1) number of times assistance is provided; or

(2) number of households in which the individual resides during a particular year.

(d) As used in this section, "total number of requests for assistance" means the number of times an individual or a household separately requests any type of township assistance.

(e) The township trustee shall file an annual statistical report on township housing, medical care, utility, and food assistance with the state board of accounts. Except as provided in subsection (i), the report must be made on a form provided by the state board of accounts. The report must contain the following information:

(1) The total number of requests for assistance.

(2) The total number of poor relief recipients and total number of households containing poor relief recipients.

(3) The total value of benefits provided poor relief recipients.

(4) The total number of poor relief recipients and households receiving utility assistance.

(5) The total value of benefits provided for the payment of utilities.

(6) The total number of poor relief recipients and households receiving housing assistance.

(7) The total value of benefits provided for housing assistance.

(8) The total number of poor relief recipients and households receiving food assistance.

(9) The total value of food assistance provided.

(10) The total number of poor relief recipients and households provided health care.

(11) The total value of health care provided.

(12) The total number of burials and cremations.

(13) The total value of burials and cremations.

(14) The total number of nights of emergency shelter provided to the homeless.

(15) The total number of referrals of poor relief applicants to other programs.

(16) The total number of training programs or job placements

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found for poor relief recipients with the assistance of the township trustee.

(17) The number of hours spent by poor relief recipients at workfare.

(18) The total amount of reimbursement for assistance received from:

(A) recipients;

(B) members of recipients' households; or

(C) recipients' estates;

under IC 12-20-6-10, IC 12-20-27-1, or IC 12-20-27-1.5.

(19) The total amount of reimbursement for assistance received from medical programs under IC 12-20-16-2(e).

If the total number or value of any item required to be reported under this subsection is zero (0), the township trustee shall include the notation "0" in the report where the total number or value is required to be reported.

(f) The state board of accounts shall forward a copy of each annual report forwarded to the board under subsection (e) to the ~~state board of tax commissioners~~ **department** and the division of family and children.

(g) The division of family and children shall include in the division's periodic reports made to the United States Department of Health and Human Services concerning the Aid to Families with Dependent Children (AFDC) and Supplemental Security Income (SSI) programs information forwarded to the division under subsection (f) concerning the total number of poor relief recipients and the total dollar amount of benefits provided.

(h) The ~~state board of tax commissioners~~ **department** may not approve the budget of a township trustee who fails to file an annual report under subsection (e) in the preceding calendar year. Before July 1 of each year, the ~~state board of tax commissioners~~ **department** shall file a report with the legislative council that compiles and summarizes the information sent to the state board of accounts by township trustees under subsection (e).

(i) This section does not prevent the electronic transfer of data required to be reported under IC 12-2-1-40 (before its repeal) or this section if the following conditions are met:

(1) The method of reporting is acceptable to both the township trustee reporting the information and the governmental entity to which the information is reported.

(2) A written copy of information reported by electronic transfer is on file with the township trustee reporting information by electronic means.

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(j) The information required to be reported by the township trustee under this section shall be maintained by the township trustee in accordance with IC 5-15-6.

SECTION 365. IC 12-29-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. All general Indiana statutes relating to the following apply to the issuance of county bonds under this chapter:

(1) The filing of a petition requesting the issuance of bonds.

(2) The giving of notice of the following:

(A) The filing of the petition requesting the issuance of the bonds.

(B) The determination to issue bonds.

(C) A hearing on the appropriation of the proceeds of the bonds.

(3) The right of taxpayers to appear and be heard on the proposed appropriation.

(4) The approval of the appropriation by the ~~state board of tax commissioners.~~ **department of local government finance.**

(5) The right of taxpayers to remonstrate against the issuance of bonds.

SECTION 366. IC 12-29-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Subject to subsection (b), a county shall fund the operation of community mental health centers in an amount not less than the amount that would be raised by an annual tax rate of one and thirty-three hundredths cents ($0.0133) on each one hundred dollars ($100) of taxable property within the county, unless a lower tax rate will be adequate to fulfill the county's financial obligations under this chapter in any of the following situations:

(1) If the total population of the county is served by one (1) center.

(2) If the total population of the county is served by more than one (1) center.

(3) If the partial population of the county is served by one (1) center.

(4) If the partial population of the county is served by more than one (1) center.

(b) This subsection applies only to a property tax that is imposed in a county having a population of more than seven hundred thousand (700,000). The tax rate permitted under subsection (a) for taxes first due and payable after calendar year 1995 is the tax rate permitted under subsection (a) as adjusted under this subsection. For each year in which

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a general reassessment of property will take effect, the ~~state board of tax commissioners~~ **department of local government finance** shall compute the maximum rate permitted under subsection (a) as follows:

STEP ONE: Determine the maximum rate for the year preceding the year in which the general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent) in the assessed value of the taxable property from the year preceding the year the general reassessment takes effect to the year that the general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent) in the assessed value of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by one (1) plus the STEP SIX percentage increase.

This maximum rate is the maximum rate under this section until a new maximum rate is computed under this subsection for the next year in which a general reassessment of property will take effect.

SECTION 367. IC 13-18-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) If the offender is a municipal corporation, the cost of:

(1) acquisition, construction, repair, alteration, or extension of the necessary plants, machinery, or works; or

(2) taking other steps that are necessary to comply with the order;

shall be paid out of money on hand available for these purposes or out of the general money of the municipal corporation not otherwise appropriated.

(b) If there is not sufficient money on hand or unappropriated, the necessary money shall be raised by the issuance of bonds. The bond issue is subject only to the approval of the ~~state board of tax commissioners.~~ **department of local government finance.**

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SECTION 368. IC 13-21-3-13.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.5. (a) This section does not apply to the following:

(1) A nonreverting capital fund established under section 12(24) of this chapter.

(2) A fund established under IC 13-21-7-8.

(3) The waste management district bond fund established under IC 13-21-7-10.

(4) A fund established to secure the payment of principal and interest under IC 13-21-12-1(12).

(b) At the end of each year the district shall prepare a report that provides the following information:

(1) For each fund that contains district money:

(A) the cash balance at the end of the year;

(B) a list of all encumbrances on the fund that the district is legally obligated to pay;

(C) a copy of documentation that supports each encumbrance listed in clause (B);

(D) the fund balance obtained by subtracting the amount under clause (B) from the amount under clause (A); and

(E) the total expenditures from the fund for the year.

(2) The total of all fund balances calculated under subdivision (1)(D).

(3) The total of all fund expenditures reported under subdivision (1)(E).

(c) The district shall provide the report developed under subsection (b) to the department, the ~~state board of tax commissioners,~~ **department of local government finance,** and the environmental quality service council by February 1 of the year following the year for which the report is made.

SECTION 369. IC 13-21-3-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) A district located in a county having a population of more than ~~thirty-one thousand five hundred (31,500) but less than thirty-two thousand (32,000)~~ **thirty-two thousand (32,000) but less than thirty-three thousand (33,000)** may appeal to the ~~state board of tax commissioners~~ **department of local government finance** to have a property tax rate in excess of the rate permitted by section 12 of this chapter. The appeal may be granted if the district establishes that all of the following conditions exist:

(1) The district is in the process of constructing a landfill.

(2) A higher property tax rate is necessary to pay the fees charged

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by out of county landfills to dispose of solid waste generated in the district during the design and construction phases of the landfill being established by the district.

(b) The procedure applicable to maximum levy appeals under IC 6-1.1-18.5 applies to an appeal under this section. Any additional levy granted under this section:

(1) is not part of the total county tax levy (as defined in IC 6-1.1-21-2); and

(2) may not exceed seven and thirty-three hundredths cents ($0.0733) on each one hundred dollars ($100) of assessed valuation of property in the district.

(c) The ~~state board of tax commissioners~~ **department of local government finance** shall establish the tax rate if a higher tax rate is permitted.

(d) A property tax rate imposed under this section expires not later than December 31, 1997.

SECTION 370. IC 13-21-3-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. Before the board of a district may adopt an annual budget, the budget must be:

(1) approved by the ~~state board of tax commissioners;~~ **department of local government finance;** and

(2) sent to:

(A) the executive; and

(B) the fiscal body;

of each county and municipality located within the district as a matter of record.

SECTION 371. IC 14-27-6-40 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 40. The provisions of IC 5-1 and IC 6-1.1-20 relating to the following apply to proceedings under this chapter:

(1) The filing of a petition requesting the issuance of bonds and giving notice of the petition.

(2) The giving of notice of determination to issue bonds.

(3) The giving of notice of hearing on the appropriation of the proceeds of bonds and the right of taxpayers to appeal and be heard on the proposed appropriation.

(4) The approval of the appropriation by the ~~state board of tax commissioners.~~ **department of local government finance.**

(5) The right of taxpayers to remonstrate against the issuance of bonds.

(6) The sale of bonds at public sale for not less than the par value.

SECTION 372. IC 14-27-6-46 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 46. (a) The board shall do the following:

(1) Annually prepare a budget for the operation and capital expenditures of the authority.

(2) Calculate the tax levy necessary to provide money for the operating expenditures necessary to carry out the powers, duties, and functions of the authority together with any capital expenditures that are included in the annual budget.

(b) The budget shall be prepared and submitted at the same time and in the same manner as provided by the statutes relating to the preparation of budgets by cities. The budget is subject to the same review by the county tax adjustment board and the ~~state board of tax commissioners~~ **department of local government finance** as under the statutes relating to budgets of cities.

(c) The budgets and the tax levies are subject to review and modification by the fiscal body of a city and county within the district in the same manner as the budgets and tax levies of the executive departments of the city.

SECTION 373. IC 14-27-6-47 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 47. The county treasurer shall assess and collect the tax levy as finally approved by the ~~state board of tax commissioners~~ **department of local government finance** as other taxes are levied and collected. The county treasurer shall remit all taxes so collected to the treasurer of the authority.

SECTION 374. IC 14-33-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The budget of a district:

(1) must be prepared and submitted:

(A) at the same time;

(B) in the same manner; and

(C) with notice;

as is required by statute for the preparation of budgets by municipalities; and

(2) is subject to the same review by:

(A) the county board of tax adjustment; and

(B) the ~~state board of tax commissioners;~~ **department of local government finance;**

as is required by statute for the budgets of municipalities.

(b) If a district is established in more than one (1) county:

(1) except as provided in subsection (c), the budget shall be certified to the auditor of the county in which is located the court that had exclusive jurisdiction over the establishment of the

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district; and

(2) notice must be published in each county having land in the district. Any taxpayer in the district is entitled to be heard before the county board of tax adjustment having jurisdiction.

(c) If one (1) of the counties in a district contains either a first or second class city located in whole or in part in the district, the budget:

(1) shall be certified to the auditor of that county; and

(2) is subject to review at the county level only by the county board of tax adjustment of that county.

SECTION 375. IC 14-33-9-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The board shall deduct from the operation and maintenance expenses estimated under section 2 of this chapter the following:

(1) Any revenue actually received during the current year.

(2) Other money not obligated to paying or protecting the bonds or notes of the district.

(b) The board shall carry forward the balance after making the deduction required by subsection (a).

(c) The board shall next determine the amount of interest due and the principal amount of bonds maturing the second year after the year in which the board is meeting. To this amount the board shall add five percent (5%) in the first year the board meets with bonds outstanding to provide for contingencies. After that time and until all bonds are retired, the board shall add the necessary amount to maintain a five percent (5%) contingency reserve.

(d) If the board has been forced to borrow money for a short term for a legitimate purpose, the board shall also determine the amount of principal and interest due on the loan.

(e) The board shall then total the balance.

(f) From the assessment roll, the board shall then determine the amount of unpaid installments due in the next year on assessments that have been made and deduct this from the total. The board shall then determine the necessary levy of the special benefits tax to provide money to meet the expenses thus calculated.

(g) After review by the ~~state board of tax commissioners~~ **department of local government finance** as provided in section 1 of this chapter, the board of directors shall certify to the auditor of each county for collection the levy of the tax and the installment of any assessment.

SECTION 376. IC 14-33-9-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Upon approval by the ~~state board of tax commissioners,~~ **department of local**

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government finance, the board of directors shall certify the tax levy to the auditor of each county having land in the district.

(b) The auditor of each county shall have the levy entered on the tax records of the county treasurer for collection.

(c) The county treasurer shall collect the tax at the same time as other property taxes are collected.

(d) After collection, in June and December, the auditor of each county shall issue a warrant on the county treasurer to transfer the money collected to the board of directors.

SECTION 377. IC 14-33-21-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The board may levy a special benefits tax in compliance with IC 6-1.1-41 in an amount not to exceed three and thirty-three hundredths cents ($0.0333) on each one hundred dollars ($100) of real property in the district, except the property that is exempt under IC 14-33-7-4. The board shall file with the district plan or part of or amendment to the plan:

(1) the approval of the ~~state board of tax commissioners;~~ **department of local government finance;** and

(2) any action taken to reduce or rescind the tax levy.

SECTION 378. IC 14-33-21-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. The approval of the ~~state board of tax commissioners:~~ **department of local government finance:**

(1) does not have to be filed with the district plan or part of or amendment to the plan at the time of the submission to the commission; and

(2) only has to be filed with the court having jurisdiction of the district.

SECTION 379. IC 15-3-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The township trustee may pay for the chemicals, work, and labor performed in cutting or destroying detrimental plants under this chapter at a rate per hour to be fixed by the township trustee commensurate with local hourly wages.

(b) In all cases in which the infestation of the land with detrimental plants is so great and widespread as in the opinion of the trustee to render such cutting or eradication by hand methods impractical, the trustee shall engage the necessary power machinery or equipment and may pay for the work at a rate per hour fixed by the township trustee commensurate with the local hourly rate.

(c) When the work has been performed, the person doing the work shall file an itemized bill for the work in the office of the trustee of the

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township, and when the bill has been approved the trustee shall pay the bill out of the township fund. The trustee of the township shall certify the cost or expense of the work, and the cost of the chemicals, adding to such bill twenty dollars ($20) per day for each day that the trustee or the trustee's agent supervises the performance of the services required under this chapter as compensation for services, with a description of the real estate on which the labor was performed.

(d) The certified statement of costs prepared under subsection (c) shall be mailed using certificate of mailing to, or personally served on, the owner or person possessing the real estate. The certified statement shall be mailed to the auditor of state for any real estate owned by the state or to the fiscal officer of another municipality (as defined in IC 5-11-1-16) for real estate owned by the municipality. The statement shall request that the person pay the cost of performing the service under subsection (c) to the township trustee.

(e) If the owner or person in possession of the property does not pay the amount set forth in the statement within ten (10) days after receiving the notice under subsection (d), the township trustee shall file a copy of the certified statement in the office of the county auditor of the county where the real estate is located.

(f) The auditor shall place the amount claimed in the certified statement on the tax duplicate of the real estate. Except as provided in subsections (j) through (l), the amount claimed shall be collected as taxes are collected.

(g) After an amount described in subsection (f) is collected, the funds shall be deposited in the trustee's township funds for use at the discretion of the trustee.

(h) If there is no money available in the township fund for that purpose the township board, upon finding an emergency exists, shall act under IC 36-6-6-14(b) or IC 36-6-6-15 to borrow a sum of money sufficient to meet the emergency.

(i) The trustee, when submitting estimates to the township board for action, shall include in the estimates an item sufficient to cover those expenditures.

(j) This subsection applies to real estate owned by the state. The auditor of state shall issue a warrant to pay the amount set forth in the certified statement of costs for real estate owned by the state and shall charge the appropriate fund for the amount.

(k) This subsection applies to real estate owned by a municipality (as defined in IC 5-11-1-16) other than the township. The fiscal officer of the municipality shall make the necessary appropriation from the appropriate fund to pay the township the amount set forth in the

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certified statement of costs for real estate owned by the municipality.

(l) This subsection applies to real estate that is exempt from property taxation. The owner of the tax exempt real estate shall pay the amount set forth in the certified statement of costs for the tax exempt real estate. If the owner of the tax exempt real estate fails to pay the amount required by this chapter, the owner is ineligible for the property tax exemption and the ~~state board of tax commissioners~~ **department of local government finance** shall deny the property tax exemption for the real estate.

SECTION 380. IC 15-3-4.6-5.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.4. (a) If a person fails to begin a program recommended by the weed control board to control and contain noxious weeds within the time prescribed in section 5 of this chapter, the weed control board may pay for the chemicals, equipment, and labor performed in cutting or destroying noxious weeds under this chapter at a rate per hour to be fixed by the weed control board commensurate with local hourly wages.

(b) When the work has been performed, the person doing the work shall file an itemized bill for the work in the office of the weed control board. When the bill has been approved, the weed control board shall pay the bill from the county general fund, unless the county has established a separate fund for the weed control board. The weed control board shall certify the cost of the work, adding to the bill twenty dollars ($20) per day for each day that a member of the weed control board or the board's agent supervises the performance of the services required under this chapter as compensation for services. The certified statement of costs must include a description of the real estate on which the labor was performed.

(c) The certified statement of costs prepared under subsection (b) must be:

(1) sent by certified mail to; or

(2) personally served on;

the owner or person possessing the real estate. The certified statement must be mailed to the auditor of state for any real estate owned by the state or to the fiscal officer of another municipality (as defined in IC 5-11-1-16) for real estate owned by the municipality. The statement must request that the person pay the cost of performing the service under subsection (b) to the weed control board.

(d) If the owner or person in possession of the property does not pay the amount set forth in the statement within ten (10) days after receiving the notice under subsection (c), the weed control board shall file a copy of the certified statement in the office of the county auditor

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of the county where the real estate is located.

(e) The auditor shall place the amount claimed in the certified statement on the tax duplicate of the real estate. Except as provided in subsections (g) through (i), the amount claimed shall be collected as taxes are collected.

(f) After an amount described in subsection (e) is collected, the funds must be deposited in the weed control board fund, if one has been established by the county, for use at the discretion of the weed control board. If a weed control board fund has not been established by the county, the funds collected must be deposited in the county general fund.

(g) This subsection applies to real estate owned by the state. The auditor of state shall issue a warrant to pay the amount set forth in the certified statement of costs for real estate owned by the state and shall charge the appropriate fund for the amount.

(h) This subsection applies to real estate owned by a municipality (as defined in IC 5-11-1-16). The fiscal officer of the municipality shall make the necessary appropriation from the appropriate fund to pay the weed control board the amount set forth in the certified statement of costs for real estate owned by the municipality.

(i) This subsection applies to real estate that is exempt from property taxation. The owner of the tax exempt real estate shall pay the amount set forth in the certified statement of costs for the tax exempt real estate. If the owner of the tax exempt real estate fails to pay the amount required by this chapter, the owner is ineligible for the property tax exemption, and the ~~state board of tax commissioners~~ **department of local government finance** shall deny the property tax exemption for the real estate.

SECTION 381. IC 16-22-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. Upon review and approval by the county fiscal body, the county auditor shall file a copy of the resolution and the county fiscal body's action if any with the ~~state board of tax commissioners~~ **department of local government finance** for approval.

SECTION 382. IC 16-22-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. The ~~state board of tax commissioners~~ **department of local government finance** shall publish notice of the submission one (1) time. At least twenty-five (25) taxpayers in the county who will be affected by the proposed tax levy may file a petition with the county auditor not later than ten (10) days after publication, setting forth the taxpayers' objections to the proposed tax levy.

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SECTION 383. IC 16-22-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. Upon the filing of a petition, the county auditor shall immediately certify the petition to the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 384. IC 16-22-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) The ~~state board of tax commissioners~~ **department of local government finance** shall, within a reasonable time, fix a date for a hearing to be held in the county and give notice of the hearing to the following:

(1) The executive director of the hospital.

(2) The first twenty-five (25) taxpayers whose names appear on the petition.

(b) The notice must be in the form of a letter signed by the secretary or any member of the ~~state board of tax commissioners~~ **department of local government finance** and sent by mail with full prepaid postage to the executive director at the hospital and to each of the taxpayers at the taxpayer's last and usual place of residence at least five (5) days before the date fixed for the hearing.

SECTION 385. IC 16-22-5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. After the hearing, the ~~state board of tax commissioners~~ **department of local government finance** shall approve, disapprove, or modify the proposal and certify the ~~state board's~~ **department's** action to the auditor of the county. The ~~state board's~~ action **of the department of local government finance** is final.

SECTION 386. IC 16-22-5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. If a tax levy is approved by the ~~state board of tax commissioners,~~ **department of local government finance,** the following shall occur:

(1) The county auditor shall include the levy in the annual budget and tax levies of the county for the term fixed in the order of the ~~state board of tax commissioners.~~ **department of local government finance.**

(2) The county fiscal body shall annually levy the tax.

SECTION 387. IC 16-22-5-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) Except when the county fiscal body reduces or rescinds the tax levy upon request of the board of the hospital, if the tax levy is reduced, rescinded, or not levied by the county fiscal body as fixed in the order of the ~~state board of tax commissioners,~~ **department of local government finance,** the board of the hospital may appeal to the ~~state~~

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~~board of tax commissioners.~~ **department.**

(b) An appeal shall be taken and heard in the same manner and within the same time prescribed by law when appeals are taken by taxpayers or municipal corporations. The notice of the hearing shall be given to the county auditor and to the board of the hospital.

(c) Upon the conclusion of the hearing, the ~~state board of tax commissioners~~ **department of local government finance** shall affirm the levy and the annual budget. The order of the ~~state board of tax commissioners~~ **department of local government finance** is final.

SECTION 388. IC 16-22-6-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. On the filing of the petition the county auditor shall immediately certify a copy, together with other data necessary to present the questions involved, to the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 389. IC 16-22-6-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. On receipt of the certified petition and information, the ~~state board of tax commissioners~~ **department of local government finance** shall fix a time and place in the county for the hearing that shall be not less than five (5) or more than fifteen (15) days after receipt. Notice of the hearing shall be given by the ~~state board of tax commissioners~~ **department of local government finance** to the county executive and to the first ten (10) taxpayer petitioners by certified mail sent to the addresses listed on the petition at least five (5) days before the hearing date.

SECTION 390. IC 16-22-6-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. An action to contest the validity of the lease or to enjoin the performance of the terms and conditions of the lease may not be instituted more than thirty (30) days after publication of notice of the execution of the lease or, if an appeal is taken to the ~~state board of tax commissioners,~~ **department of local government finance,** not more than thirty (30) days after the decision of the board.

SECTION 391. IC 16-22-6-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27. (a) As used in this section, "contributing county" means a county without a county hospital that is contiguous to a county with a county hospital.

(b) As used in this section, "lessee county" means a county with a county hospital.

(c) A contributing county may enter into an agreement with a lessee county to reimburse the lessee county for a part of the lease rental each

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year that is payable by the lessee county upon compliance with this section.

(d) If the county executive of the contributing county finds that the hospital of the lessee county serves the residents of the contributing county and provides needed hospital services to such residents, the county executive may prepare a contribution agreement. Before final execution of the agreement, the auditor of the contributing county shall publish notice of a public hearing to be held in the contributing county by the county executive not less than ten (10) days after publication of the notice. The notice shall be published one (1) time in a newspaper of general circulation and published in the contributing county. The notice must name the day, place, and hour of the hearing and must set forth a summary of the provisions of agreement as to the amount to be paid each year during the term of the lease by the contributing county and where a copy of the proposed agreement may be examined. All persons interested are entitled to be heard at the time fixed on the necessity for the execution of the agreement. The hearing may be adjourned to a later date at a place fixed before adjournment.

(e) Following the hearing, if a majority of the county fiscal body of the contributing county approve the execution of the agreement, the county executive may authorize the execution of the original agreement or may make the modifications agreed upon with the county fiscal body. The authorization shall be by an order entered in the official records of the county executive. The agreement shall be executed:

(1) on behalf of the contributing county by at least a majority of the members of the county executive; and

(2) on behalf of the lessee county by at least a majority of the members of the county executive.

(f) If the execution of the original or modified contribution agreement is authorized, notice of the signing shall be published on behalf of the contributing county by publication one (1) time in a newspaper of general circulation and published in the contributing county. At least ten (10) taxpayers in the contributing county whose tax rate will be affected by the proposed agreement may file a petition with the county auditor of the contributing county not more than thirty (30) days after publication of notice of the execution of the agreement. The petition must set forth the objections to the contribution agreement and facts showing that the execution of the contribution agreement is unnecessary and unwise or that the amount of contribution is excessive. On the filing of the petition, the county auditor shall immediately certify a copy together with other data necessary to present the questions involved to the ~~state board of tax commissioners.~~

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department of local government finance. The ~~state board of tax commissioners~~ **department of local government finance** shall fix a time and place in the county for the hearing not less than five (5) or not more than fifteen (15) days after receipt of the certified petition and information. Notice of the hearing shall be given by the ~~state board of tax commissioners~~ **department of local government finance** to the county executive and to the first ten (10) taxpayer petitioners by certified mail sent to the addresses listed on the petition, at least five (5) days before the date of the hearing.

(g) An action to contest the validity of the contribution agreement or to enjoin the performance of the agreement may not be instituted later than thirty (30) days after publication of notice of the execution of the agreement or, if an appeal has been taken to the ~~state board of tax commissioners,~~ **department of local government finance,** not more than thirty (30) days after the decision of the board.

(h) A contribution agreement may extend for the full term of the lease or for any part and may provide for reimbursement by the contributing county to the lessee county of a part of the lease rental each year in an amount and upon terms and conditions agreed on between the contributing county and the lessee county. The contributing county shall annually levy a tax sufficient to produce each year the necessary funds sufficient to reimburse the lessee county as provided in the contribution agreement. The tax levies provided for in this section shall be reviewable by other bodies vested by law with the authority to ascertain that the levies are sufficient to raise the required payments under the contribution agreement. The annual contribution shall be paid semiannually to the lessee county before the date lease rental payments are due from the lessee county.

SECTION 392. IC 16-22-7-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) If execution of the original or modified lease is authorized under section 38 of this chapter, notice of the signing shall be published.

(b) Ten (10) taxpayers in the county whose tax rate will be affected by the proposed lease and who believe the lease is unnecessary or the lease rental is not fair and reasonable may file a petition in the office of the county auditor not more than thirty (30) days after publication of notice of the execution of the lease, setting forth the objections and stating facts showing that the lease is unnecessary or unwise or that the lease rental is not fair and reasonable.

(c) On the filing of the petition, the county auditor shall immediately certify a copy, together with other data necessary to present the questions involved, to the ~~state board of tax commissioners.~~

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department of local government finance.

SECTION 393. IC 16-22-7-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. On receipt of the certified petition and information, the ~~state board of tax commissioners~~ **department of local government finance** shall fix a time and place in the county for a hearing of the matter, which shall be not less than five (5) or more than fifteen (15) days after receipt of the certified petition and information. Notice of the hearing shall be given by the ~~state board of tax commissioners~~ **department of local government finance** to the city hospital board and to the first ten (10) taxpayer petitioners on the petition by certified mail sent to the addresses listed on the petition, at least five (5) days before the date of the hearing.

SECTION 394. IC 16-22-7-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. An action to contest the validity of the lease or to enjoin the performance of the terms and conditions of the lease may not be instituted later than thirty (30) days after publication of notice of the execution of the lease or, if an appeal is taken to the ~~state board of tax commissioners,~~ **department of local government finance,** not more than thirty (30) days after the decision of the board.

SECTION 395. IC 16-22-8-43 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 43. (a) The board may issue general obligation bonds of the corporation to procure funds to pay the cost of acquiring real property or constructing, enlarging, improving, remodeling, repairing, or equipping buildings and other structures for use as or in connection with hospitals, clinics, health centers, dispensaries, or for administrative purposes. The issuance of the bonds shall be authorized by ordinance of the board providing for the amount, terms, and tenor of the bonds, for the time and character of notice, and the mode of making the sale. The bonds shall be payable not more than forty (40) years after the date of issuance and shall be executed in the name of the corporation by the chairman of the board and attested by the executive director, who shall affix to each of the bonds the official seal of the corporation. The interest coupons attached to the bonds may be executed by facsimile signature of the chairman of the board.

(b) The executive director shall manage and supervise the preparation, advertisement, and sale of bonds, subject to the provisions of the authorizing ordinance. Before the sale of the bonds, the executive director shall publish notice of the sale in accordance with IC 5-3-1, setting out the time and place where bids will be received, the

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amount and maturity dates of the issue, the maximum interest rate, and the terms and conditions of sale and delivery of the bonds. The bonds shall be sold to the highest and best bidder. After the bonds have been sold and executed, the executive director shall deliver the bonds to the treasurer of the corporation and take the treasurer's receipt, and shall certify to the treasurer the amount that the purchaser is to pay, together with the name and address of the purchaser. On payment of the purchase price, the treasurer shall deliver the bonds to the purchaser, and the treasurer and executive director shall report the actions to the board.

(c) IC 5-1 and IC 6-1.1-20 apply to the following proceedings:

(1) Notice and filing of the petition requesting the issuance of the bonds.

(2) Notice of determination to issue bonds.

(3) Notice of hearing on the appropriation of the proceeds of the bonds and the right of taxpayers to appeal and be heard.

(4) Approval by the ~~state board of tax commissioners.~~ **department of local government finance.**

(5) The right to remonstrate.

(6) Sale of bonds at public sale for not less than the par value.

(d) The bonds are the direct general obligations of the corporation and are payable out of unlimited ad valorem taxes levied and collected on all the taxable property within the county of the corporation. All officials and bodies having to do with the levying of taxes for the corporation shall see that sufficient levies are made to meet the principal and interest on the bonds at the time fixed for payment.

(e) The bonds are exempt from taxation for all purposes including the gross income tax but the interest is subject to gross income tax.

SECTION 396. IC 16-22-8-51 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 51. The tax levy approved by the ~~state board of tax commissioners~~ **department of local government finance** shall be assessed and collected by the county treasurer of the county within which the corporation is located as other taxes are levied and collected. The county treasurer shall remit all taxes to the treasurer of the corporation.

SECTION 397. IC 16-22-8-55 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 55. (a) The corporation may borrow money on promissory notes issued in the corporation's name, as a municipal corporation, from recognized lending institutions, and pledge as security unlimited ad valorem taxes levied by the corporation and collected on all taxable property within the jurisdiction of the corporation. It is the duty of all officials and

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bodies with control or discretion over the levying of taxes for the corporation to see that sufficient levies are made to meet the principal and interest on promissory notes. The promissory notes issued under this section shall be treated for taxation purposes the same as bonds issued by a municipal corporation in accordance with IC 6-8-5-1.

(b) Funds obtained by the method provided in this section shall be limited in use to the payment of lease rental for medical, surgical, and related equipment used by the corporation when the board determines that leasing the equipment is more practical and economical than purchasing. The decision to lease rather than purchase is within the sole discretion of the board.

(c) The length, terms, and conditions of promissory notes issued under this section are subject to negotiation between the board or the board's representative and the lending institutions bidding. Before entering into negotiations for the loan, the board of trustees shall publish a notice one (1) time in a newspaper of general circulation in the health and hospital corporation naming a date not less than seven (7) days after the publication of notice on which the board will receive and consider proposals from lending institutions for the making of the loan.

(d) After determination of the board to borrow and to issue promissory notes, and after a determination of the best proposal submitted by lending institutions, the board shall give notice of the board's determination to borrow and to issue promissory notes in the manner provided by IC 6-1.1-20. The taxpayers have the right to appeal the determination to the ~~state board of tax commissioners~~ **department of local government finance** in the manner and within the time provided in IC 6-1.1-20.

SECTION 398. IC 16-23-1-31 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 31. (a) If the annual budget and appropriations, or any additional appropriations or transfers of money, made or proposed by the board of directors, excluding any cumulative building money:

(1) is not based upon or derived in part from a tax levy on property in the county or city; and

(2) involves only the funds of the hospital derived wholly from other sources than property taxes;

the board only needs to adopt a resolution for the approval of the budget appropriations, additional appropriations, or transfers and file a true copy of the budget appropriations, additional appropriations, or transfers and the resolution in the offices of the county auditor and city clerk-treasurer within seven (7) days after board action for the

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information of the public.

(b) If the funds are not derived from taxation, the city fiscal body may review, consider, and file objections and take an appeal to the ~~state board of tax commissioners~~ **department of local government finance** upon the following:

(1) An annual budget and any appropriations in the budget and request the reduction or elimination of any item.

(2) Additional appropriations or transfers of funds, or any part of additional appropriations or transfers of funds, within ten (10) days after the certificate has been filed in the clerk-treasurer's office.

The ruling and action of the ~~state board of tax commissioners~~ **department of local government finance** is final and conclusive.

(c) The annual budget and appropriations may be revised by the board of directors by increasing or decreasing items in the budget based on revenues derived from sources other than property taxes and by transfer from any items of the budget and appropriations to other items of the budget, without giving legal notice or any public hearing. However, a copy of each resolution changing the budget or any appropriations or transfers of funds shall be filed with the city clerk-treasurer and county auditor within seven (7) days after the passage of each resolution. The resolution is subject to appeal by the city fiscal body to the ~~state board of tax commissioners~~ **department of local government finance** for final action in the manner and within the period provided in this section.

(d) The governing board shall annually file a condensed annual report of receipts and expenditures of all hospital funds. Expenses or income items may be summarized in a fair and an accurate manner for the information of all taxpayers and citizens. A copy of the annual report covering the preceding calendar year shall be filed in the city clerk-treasurer's office and in the county auditor's office on or before the first Monday in March. Detailed information on the items must be available for inspection by the public at the hospital administrator's office.

SECTION 399. IC 16-23-1-39 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 39. (a) This section applies to the county fiscal body of a county in which a city hospital is located and maintained.

(b) The county fiscal body may issue and sell bonds and appropriate money, if the fiscal body finds the following:

(1) An emergency exists.

(2) To meet the medical needs of the county residents living

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inside and outside the corporate limits of the city it is necessary to aid in the following:

(A) The construction, improvement, repair, or remodeling of hospital buildings and grounds.

(B) The construction of an extension or addition to the hospital.

(C) The acquisition of real property for the hospital.

(3) An appropriation of county funds, borrowing of money, and issuance and sale of bonds by the county are in the best interests of all the citizens of the county.

(c) The county fiscal body may issue and sell bonds and appropriate the proceeds to meet the emergency:

(1) without regard to whether the city in which the hospital is located has issued and sold bonds for these purposes or contemplates the issuance and sale of bonds;

(2) as other county bonds are issued and sold under statute; and

(3) subject to approval of the ~~state board of tax commissioners.~~ **department of local government finance.**

(d) The principal derived from the sale of the bonds, upon due appropriation by the county according to statute, shall be paid to the clerk-treasurer of the city to assist in paying the cost of the improvement, repair, remodeling, or construction project of the hospital or for the acquisition of real property, without reappropriation by the fiscal body of the city.

SECTION 400. IC 16-23-1-40 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 40. (a) The governing board may request a cumulative hospital building fund and a tax rate upon all taxable property in the county in which the hospital is located to finance the fund. If a resolution is approved by majority vote of all members at a regular or special board meeting, the resolution shall be certified to the county auditor, who shall submit the resolution to the county executive for preliminary approval and recommendation. Upon the approval of the county executive, the county auditor shall publish notice of a public hearing before the county council on the establishment of a cumulative hospital building fund and tax rate in each year.

(b) The cumulative building tax rate begins in any calendar year when all proceedings to establish the tax rate have been completed before August 2 in that year. The rate is levied on each one hundred dollars ($100) of taxable property for that year, payable in the next year, and continues each year for a term not exceeding twelve (12) years. The resolution of the board must specify the following:

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(1) The number of years.
(2) The effective date when the tax levy begins.
(3) The amount of rate on each one hundred dollars ($100) of taxable property.
(4) Any other pertinent facts considered advisable by the board.

(c) Except as provided in subsections (f) through ~~(i),~~ **(h),** the rate on each one hundred dollars ($100) may be reduced but not increased by the ~~state board of tax commissioners~~ **department of local government finance** in approving a cumulative building tax rate. The rate as finally fixed by the ~~state board of tax commissioners~~ **department of local government finance** is final. However, the county fiscal body, by three-fourths (3/4) affirmative vote of the county fiscal body's members, may reduce the rate in any given year or years to meet an emergency existing in the county, but the temporary reduction affects the rate only in the year when the action is taken. The rate is automatically restored to the rate's original amount in each succeeding year of the established period except in any other year when another emergency reduction is made. The rate is subject to review each year by the county fiscal body, but the county tax adjustment board and ~~state board of tax commissioners~~ **department of local government finance** may not reduce the rate below the original rate established and approved by vote of the county fiscal body unless the county fiscal body reduces the rate.

(d) The county fiscal body, city fiscal body, county tax adjustment board, or ~~state board of tax commissioners~~ **department of local government finance** does not have power or jurisdiction over the annual budget and appropriations, additional appropriations, or transfer of money unless the action involves the expenditure or raising of money derived from property taxes. If the cumulative building fund is the only hospital fund raised by taxation, section 31 of this chapter controls.

(e) The cumulative building fund raised may be properly and safely invested or reinvested by the board to produce an income until there is an immediate need for the fund's use. The fund and any income derived from investment or reinvestment of the fund may be used as follows:
(1) To purchase real property and grounds for hospital purposes.
(2) To remodel or make major repairs on any hospital building.
(3) To erect and construct hospital buildings or additions or extensions to the buildings.
(4) For any other major capital improvements, but not for current operating expenses or to meet a deficiency in operating funds.

(f) Not later than August 1 of any year, ten (10) or more taxpayers

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in the county may file with the county auditor of the county in which the hospital is located a petition for reduction or rescission of the cumulative building tax rate. The petition must set forth the taxpayers' objections to the tax rate. The petition shall be certified to the ~~state board of tax commissioners.~~ **department of local government finance.**

(g) Upon receipt of a petition under subsection (f), the ~~state board of tax commissioners~~ **department of local government finance** shall, within a reasonable time, fix a date for a hearing on the petition. The hearing must be held in the county in which the hospital is located. Notice of the hearing shall be given to the county fiscal body and to the first ten (10) taxpayers whose names appear on the petition. The notice must be in the form of a letter signed by the secretary or any member of the ~~state board of tax commissioners,~~ **department of local government finance,** sent by mail with full prepaid postage to the county fiscal body and to the taxpayers at their usual places of residence at least five (5) days before the date fixed for the hearing.

(h) After the hearing under subsection (g), the ~~state board of tax commissioners~~ **department of local government finance** shall approve, disapprove, or modify the request for reduction or rescission of the tax rate and shall certify that decision to the county auditor of the county in which the hospital is located.

SECTION 401. IC 16-35-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) For taxes first due and payable in 1992, each county must impose a children with special health care needs property tax levy equal to the amount determined using the following formula:

STEP ONE: Determine the sum of the amounts that were paid by the county minus the amounts reimbursed by the state (including reimbursements made with federal money), as determined by the state board of accounts, in 1988, 1989, and 1990 for the following:

(A) Payments for administrative expenses of the county office of family and children in the administration of the children with special health care needs program.

(B) Payment for the facilities, supplies, and equipment needed for the children with special health care needs program as operated by the county office of family and children.

(C) Payment of all other expenses under the children with special health care needs program that were paid by the county office of family and children.

STEP TWO: Subtract from the amount determined in STEP ONE

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the sum of the miscellaneous taxes that were allocated to:

(A) the county welfare administration fund and used to pay expenses for administration, facilities, supplies, and equipment for the children with special health care needs program in 1988, 1989, and 1990; and

(B) the county welfare fund and used to pay all other costs of the children with special health care needs program in 1988, 1989, and 1990.

STEP THREE: Divide the amount determined in STEP TWO by three (3).

STEP FOUR: Calculate the STEP ONE amount and the STEP TWO amount for 1990 expenses only.

STEP FIVE: Adjust the amounts determined in STEP THREE and STEP FOUR by the amount determined by the state board of tax commissioners under subsection (c).

STEP SIX: Determine whether the amount calculated in STEP THREE, as adjusted in STEP FIVE, or the amount calculated in STEP FOUR, as adjusted in STEP FIVE, is greater. Multiply the greater amount by the greater of:

(A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the county for property taxes first due and payable in 1992; or

(B) the statewide average assessed value growth quotient using the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for property taxes first due and payable in 1992.

STEP SEVEN: Multiply the amount determined in STEP SIX by the county's assessed value growth quotient for property taxes first due and payable in 1992, as determined under IC 6-1.1-18.5-2.

(b) For taxes first due and payable in each year after 1992, each county shall impose a children with special health care needs property tax levy equal to the product of:

(1) the children with special health care needs property tax levy imposed for taxes first due and payable in the preceding year; multiplied by

(2) the greater of:

(A) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2; or

(B) one (1).

When a year in which a statewide general reassessment of real property first becomes effective is the year preceding the year that the property tax levy under this subsection will be first due and payable, the amount

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to be used in subdivision (2) equals the average of the amounts used in determining the two (2) most recent adjustments in the county's levy under this section.

(c) For taxes first due and payable in 1992 and in 1993, the state board of tax commissioners shall adjust the levy for each county to reflect the county's actual welfare expenses for administration, facilities, supplies, equipment, and all other costs for the children with special health care needs program in 1988, 1989, and 1990. In making this adjustment, the state board of tax commissioners may consider all relevant information. This includes the county's use of bond and loan proceeds to pay these expenses.

(d) The ~~state board of tax commissioners~~ **department of local government finance** shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy.

SECTION 402. IC 20-3-11-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. Each such board of school commissioners may from time to time, whenever its general fund shall be exhausted or in the board's judgment be in danger of exhaustion, make temporary loans for the use of its general fund to be paid out of the proceeds of taxes theretofore levied by such school city for its general fund. The amount so borrowed in aid of said general fund shall be paid into said general fund and may be used for any purpose for which the said general fund lawfully may be used. Any such temporary loan shall be evidenced by the promissory note or notes of said school city, shall bear interest at not more than seven per cent (7%) per annum, interest payable at the maturity of the note or periodically, as the note may express, and shall mature at such time or times as the board of school commissioners may decide, but not later than one (1) year from the date of the note. No such loan or loans made in any one (1) calendar year shall be for a sum greater than the amount estimated by said board as the proceeds to be received by it from the levy of taxes theretofore made by said school city in behalf of its said general fund. Successive loans may be made in aid of said general fund in any calendar year, but the aggregate amount thereof, outstanding at any one (1) time, shall not exceed such estimated proceeds of taxes levied in behalf of the said general fund.

No such loan shall be made until notice asking for bids therefor shall have been given by newspaper publication, which publication shall be made one (1) time in a newspaper published in said city and said publication shall be at least seven (7) days before the time when bids for such loans will be opened. Bidders shall name the amount of

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interest they agree to accept not exceeding seven per cent (7%) per annum, and the loan shall be made to the bidder or bidders bidding the lowest rate of interest. The note or notes or warrants shall not be delivered until the full price of the face thereof shall be paid to the treasurer of said school city, and no interest shall accrue thereon before such delivery.

Any such school corporation wishing to make a temporary loan in aid of its general fund, finding that it has need to exercise the power in this section above given to make a temporary loan, which has in its treasury money derived from the sale of bonds, which money derived from the sale of bonds can not or will not, in the due course of the business of said school city, be expended in the then near future, may, if it so elects, temporarily borrow, and without payment of interest, from such bond fund, for the use and aid of said general fund in the manner and to the extent hereinafter expressed, viz.: Such school city shall, by its board of school commissioners, take all the steps required by law to effect such temporary loan up to the point of advertising for bids or offers for such loans; it shall then present to the ~~state board of tax commissioners~~ **department of local government finance** of the state of Indiana, and to the state board of accounts of the state of Indiana, a copy of the corporate action of said school city concerning its desire to make such temporary loan and a petition showing the particular need for such temporary loan, and the amount and the date or dates when said general fund will need such temporary loan, or instalments of such loan, and the date at which such loan, and each instalment thereof, will be needed, and the estimated amounts from taxes to come into said general fund, and the dates when it is expected such proceeds of taxes will be received by such school city in behalf of said general fund, and showing what amount of money said school city has in any fund derived from the proceeds of the sale of bonds, which can not or will not be expended in the then near future, and showing when and to what extent and why money in such bond fund, not soon to be expended, will not be expended in the then near future and requesting that ~~said state board of tax commissioners,~~ **the department of local government finance,** and said state board of accounts, respectively, authorize a temporary loan from said bond fund in aid of said general fund.

If ~~said state board of tax commissioners~~ **the department of local government finance** shall find and order that there is need for such temporary loan, and that it should be made, and said state board of accounts shall find that the money proposed to be borrowed will not be needed during the period of the temporary loan by the fund from which

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it is to be borrowed, and ~~said two (2) state boards~~ **the state board of accounts and the department of local government finance** shall approve the loan, the business manager and treasurer of said school city shall, upon such approval by ~~said two (2) state boards,~~ **the state board of accounts and the department of local government finance,** take all steps necessary to transfer the amount of such loans, as a temporary loan from the fund to be borrowed from, to said general fund of such school city. The loan so effected shall, for all purposes, be a debt of the school city chargeable against its constitutional debt limit.

~~Such two (2) state boards~~ **The state board of accounts and the department of local government finance** may fix the aggregate amount so to be borrowed on any one (1) petition and shall determine at what time or times and in what instalments and for what periods it shall be borrowed. The treasurer and business manager of such school city, from time to time, as money shall be collected from taxes levied in behalf of said general fund, shall credit the same on such loan until the amount borrowed is fully repaid to the lending fund, and they shall at the end of each calendar month report to the board the several amounts so applied from taxes to the payment of such loan.

The school city shall, as often as once a month, report to both ~~of said state boards~~ **the state board of accounts and the department of local government finance** the amount of money then so borrowed and unpaid, the anticipated like borrowings of the current month, the amount left in the said general fund, and the anticipated drafts upon the lending bond fund for the objects for which that fund was created.

~~Said two (2) state boards~~ **The state board of accounts and the department of local government finance**, or either of them, may, if it shall seem to ~~said boards,~~ **the board and department,** or to either of them, that the fund from which the loan was made requires the repayment of all or of part of such loan(s) before its maturity or said general fund no longer requires all or some part of the proceeds of such loan, require such school city to repay all or any part of such loan, and, if necessary to perform the requirement, such school city shall exercise its power of making a temporary loan procured from others to raise the money so needed to repay the lending bond fund the amount so ordered repaid.

SECTION 403. IC 20-4-1-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) Whenever the creation of a community school corporation out of an existing corporation would involve no change in its territorial boundaries or in its board of school trustees or other governing body, other than a change, if any, in the time of election or appointment or the time the

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board members take office, and such creation is consistent with the standards set up pursuant to the provisions of this chapter as modified, if any, by the standards set out in this section, the state board may upon its own motion or upon petition of the governing body of the existing school corporation at any time with hearing in the county where such school corporation is located, after notice by publication at least once in one (1) newspaper of general circulation published in the county where such school corporation is located, at least ten (10) but not more than thirty (30) days prior to the date of such hearing and without action of the county committee declare such existing school corporation to be a community school corporation by adopting a resolution to this effect. Such existing school corporation shall qualify as to size and financial resources if it has an average daily attendance of two hundred seventy (270) or more, in grades nine (9) through twelve (12), or of one thousand (1,000) or more, in grades one (1) through twelve (12), and has an assessed valuation per pupil of five thousand dollars ($5,000) or more. For the purposes of this provision the following terms shall have the following meanings:

(1) "County tax" shall be a property tax which is levied at an equal rate in the entire county in which any school corporation is located, other than a tax qualifying as a county-wide tax within the meaning of Acts 1959, c.328, s.2, or any similar statute, and the net proceeds of which are distributed to school corporations in the county.

(2) "Assessed valuation" of any school corporation shall mean the net assessed value of its real and personal property as of March 1, 1964, adjusted in the same manner as such assessed valuation is adjusted for each county by the ~~state board of tax commissioners~~ **department of local government finance** under Acts 1949, c.247, s.5, as now or hereafter amended, unless such statute has been repealed or no longer provides for such adjustment. In the event a county has a county tax, then the assessed valuation of each school corporation in the county shall be increased by the amount of assessed valuation, if any, which would be required to raise an amount of money, equal to the excess of the amount distributed to any school corporation from the county tax over the amount collected from such county tax in such school corporation, using total taxes levied by such school corporation in terms of rate excluding the countywide tax under Acts 1959, c.328, s.2, or any similar statute, and including all other taxes levied by or for such school corporation, including but not limited to the county tax, bond fund levy, lease rental levy, library fund

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levy, special school fund levy, tuition fund levy, capital projects fund levy, and special funds levies. Such increased valuation shall be based on the excess distributed to the school corporation from the county tax levied for the year 1964 and the total taxes levied for such year, or if the county tax is first applied or is raised for years after 1964, then the excess distributions and total taxes levied for the year in which such tax is first applied or raised. In the event such excess distribution and total taxes levied cannot be determined accurately on or prior to the adoption of the resolution provided in this section, excess distribution and taxes levied shall be estimated by the ~~state board of tax commissioners~~ **department of local government finance** using the last preceding assessed valuations and tax rates or such other information as they shall see fit, certifying such increased assessment to the state board prior to such time. In all cases, the excess distribution shall be determined upon the assumption that the county tax is one hundred percent (100%) collected and all collections are distributed.

(3) "Assessed valuation per pupil" of any school corporation means the assessed valuation of any such school corporation divided by its average daily attendance in grades one (1) through twelve (12).

(4) "Average daily attendance" in any school corporation shall mean the average daily attendance of pupils who are residents in such school corporation and in the particular grades to which such term refers for the school year 1964-1965 in accordance with the applicable regulations of the state superintendent of public instruction, used in determining such average daily attendance in the distribution of the tuition funds by the state to its various school corporations where such funds are distributed on such basis and irrespective of whether such figures are the actual resident daily attendance of such school for the school year.

(b) Such community school corporation shall automatically come into being on either July 1 or January 1 following the date of such approval, whichever is earlier. The state board shall mail by certified United States mail, return receipt requested, a copy of such resolution certified by its director or its secretary to the recorder of the county from which the county committee having jurisdiction of such existing school corporation was appointed and to such county committee. Such resolution may change the time of election or appointment of the board members of such school corporation or the time such board members take office. The recorder shall without cost record such certified

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resolution in the miscellaneous records of the county. Such recording shall constitute a permanent record of the action of the state board and may be relied on by any person. Unless the resolution otherwise provides no interim board member shall be appointed, the board members in office on the date of such action shall continue to constitute the board of trustees of such school corporation until their successors are qualified, and the terms of their respective office and board membership shall remain unchanged except to the extent that such resolution otherwise provides. For all purposes under this chapter, community school corporation shall be regarded as a school corporation created under the provisions of section 22 of this chapter.

SECTION 404. IC 20-5-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. All powers delegated to the governing body of each school corporation under section 1.2 or 2 of this chapter shall be subject to all the laws subjecting the school corporation to regulation by state agencies, including but not limited to the superintendent of public instruction, state board of accounts, state police department, fire prevention and building safety commission, ~~state board of tax commissioners,~~ **department of local government finance,** water pollution control board, state school bus committee, state department of health, and any local governmental agency to which the state has been delegated a specific authority in matters other than educational matters and other than finance, including but not limited to plan commissions, zoning boards, and boards dealing with health and safety.

SECTION 405. IC 20-5-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. Bonds issued by a school corporation shall be sold at not less than par value, at public sale as provided by IC 5-1-11, at any rate or rates of interest determined by the bidding. If the net interest cost exceeds eight percent (8%) per year, the bonds shall not be issued until such issuance is approved by the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 406. IC 20-5-4-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. The provisions of all general statutes and rules relating to filing of petitions requesting the issuance of bonds and giving notice thereof, giving notice of determination to issue bonds, giving notice of a hearing on the appropriation of the proceeds of the bonds and the right of taxpayers to appear and be heard on the proposed appropriation, the approval of the appropriation by the ~~state board of tax commissioners,~~ **department of local government finance,** and the right of taxpayers to remonstrate

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against the issuance of bonds shall be applicable to proceedings for the issuance of bonds and the making of an emergency loan under IC 20-5-1 through IC 20-5-6. No action to contest the validity of such bonds or emergency loans shall be brought later than five (5) days after the acceptance of a bid for the sale thereof.

SECTION 407. IC 20-5-4-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (1) Prior to the end of each calendar year the ~~state board of tax commissioners~~ **department of local government finance** shall review the bond and lease rental levies, or any levies which replace such levies, of each school corporation, payable in the next succeeding year, and the appropriations from such levies from which the school corporation is to pay the amount, if any, of principal and interest on its general obligation bonds and of its lease rentals under IC 21-5-11 through IC 21-5-12, during such succeeding year (such amounts being referred to in this section as its "debt service obligations"). In the event such levies and appropriations of the school corporation are not sufficient to pay the debt service obligations, the ~~state board~~ **department of local government finance** shall establish for each school corporation bond and lease, rental levies, or any levies which replace such levies and appropriations which are sufficient to pay such debt service obligations.

(2) Upon the failure of any school corporation to pay any of its debt service obligations during any calendar year when due, the treasurer of state upon being notified of such failure by any claimant shall make such payment from the funds of the state to the extent, but not in excess, of any amounts appropriated by the general assembly for the calendar year for distribution to such school corporation from state funds, deducting such payment from such amounts thus appropriated. Such deducting being made, first from property tax relief funds to the extent thereof, second from all other funds except tuition support and third from tuition support.

(3) This section shall be interpreted liberally so that the state of Indiana shall to the extent legally valid ensure that the debt service obligations of each school corporation shall be paid, but nothing contained in this section shall be construed to create a debt of the state of Indiana.

SECTION 408. IC 20-5-28-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A school corporation in Indiana may purchase buildings, lands, or lands and buildings for school purposes, and for that purpose improve the buildings or land.

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(b) An existing building, other than a building obtained under IC 5-17-2 (before its repeal) or IC 4-13-1.7, permitting the purchase of suitable surplus government buildings, may not be purchased for use as a school building unless the building was originally constructed for use by the school corporation and used for that purpose for a period of five (5) years or more next preceding the acquisition as provided in this chapter.

(c) Notwithstanding any provisions in this chapter limiting the purchase of school buildings, a school corporation may purchase suitable buildings, lands, or lands and suitable buildings adjacent to school property for school purposes, and for that purpose improve the buildings or land after giving notice to the taxpayers of the intention of the school corporation to purchase. The taxpayers of the school corporation have the same right of appeal to the ~~state board of tax commissioners~~ **department of local government finance** under the same procedure as provided for in IC 6-1.1-20-5 through IC 6-1.1-20-6.

SECTION 409. IC 20-8.1-6.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Where a transfer is ordered to commence in a school year, where the transferor corporation has net additional costs over savings (on account of any transfer ordered) allocable to the calendar year in which the school year begins, and where the transferee corporation has no budgeted funds for such net additional costs, they may be recovered by one (1) or more of the following methods in addition to any other methods provided by applicable law:

(1) An emergency loan made pursuant to IC 20-5-4-6 to be paid, however, out of the debt service levy and fund, or a loan from any state fund made available therefor.

(2) An advance in such calendar year of state funds, which would otherwise become payable to the transferee corporation after such calendar year pursuant to applicable law.

(3) A grant or grants in such calendar year from any funds of the state made available therefor.

(b) The net additional costs shall be certified by the ~~state board of tax commissioners,~~ **department of local government finance,** and any grant shall be made solely after affirmative recommendation of the tax control board created by IC 6-1.1-19-4.1. Repayment of any advance or loan from the state shall be made in accordance with IC 6-1.1-19-4.5(d). The use of any of the methods enumerated above shall not subject the transferor corporation to the provisions of IC 6-1.1-19-4.7.

SECTION 410. IC 20-14-4-3 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A copy of the resolution adopting the merger described in section 2.1(e) of this chapter must be filed with:

(1) the county recorder in each county in which merging library districts are located; and

(2) the Indiana state library.

(b) After the resolution adopting the merger is filed, each library board that is not the board of the primary library shall appoint four (4) members to serve with the primary library board on an interim board.

(c) The interim board has the same duties and powers of a public library board under IC 20-14-3.

(d) After the resolution adopting the merger is filed, the budgets of the merging libraries shall be combined for the remainder of the current year and shall be administered by the interim board.

(e) The interim board described in subsection (b) is dissolved on December 31 of the year in which the merger takes place.

(f) The members of a merged library board shall be appointed in accordance with IC 20-14-2.5 and the terms of office for the members of the merged library board begin January 1 following the dissolution of the interim board.

(g) If a merger takes place after December 31 but before July 1 of the ensuing year, the interim library board described in subsection (b) shall present a new budget and tax rate to the ~~state board of tax commissioners~~ **department of local government finance** to receive a new tax levy for the merged library district.

(h) If a merger takes place after June 30 but before January 1 of the ensuing year, the merged library board described in subsection (f) shall present a new budget and tax rate to the ~~state board of tax commissioners~~ **department of local government finance** to receive a new tax levy for the merged library district.

SECTION 411. IC 20-14-10-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) In the event the execution of the lease as originally agreed upon, or as modified by agreement, is authorized by the library board, the library board shall give notice of the signing of the lease by publication one (1) time in a newspaper of general circulation printed in the English language in the district of the public corporation or in each public corporation district if the proposed lease is a joint lease. If no newspaper is published in the district, then the notice shall be published in any newspaper of general circulation published in the county.

(b) Fifty (50) or more taxpayers in the public corporation or corporations who will be affected by the proposed lease and who are of

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the opinion that no necessity exists for the execution of the lease, or that the proposed rental provided for is not a fair and reasonable rental, may file a petition in the office of the county auditor of the county in which the public corporation or corporations are located. The petition must be filed within thirty (30) days after the publication of notice of the execution of the lease and must set forth objections and facts showing that the execution of the lease is unnecessary or unwise, or that the lease rental is not fair and reasonable, as the case may be.

(c) Upon the filing of a petition, the county auditor shall immediately certify to the ~~state board of tax commissioners~~ **department of local government finance** a copy of the petition, together with such other data that may be necessary in order to present the questions involved. Upon the receipt of the certified petition and information, the ~~state board of tax commissioners~~ **department of local government finance** shall fix a time and place for a hearing of the matter not less than five (5) nor more than thirty (30) days after its receipt of the petition and information. The hearing shall be held in the public corporation or corporations, or in the county where the public corporations are located.

(d) Notice of the hearing shall be given by the ~~state board of tax commissioners~~ **department of local government finance** to the members of the library board and to the first ten (10) taxpayer-petitioners on the petition by a letter signed by ~~one (1) member of the state board of tax commissioners.~~ **the department of local government finance.** The postage of the notice shall be prepaid, and the notice shall be addressed to the persons at their usual place of residence, and mailed at least five (5) days before the date of the hearing. The decision of the ~~state board of tax commissioners~~ **department of local government finance** on the appeal, regarding the necessity for the execution of the lease and whether the rental is fair and reasonable, is final. Any lease may be amended by the parties by following the procedure provided under this chapter.

(e) Any action to contest the validity of the lease or any amendment to the lease or to enjoin the performance of any of the terms and conditions of the lease must be brought within thirty (30) days after publication of notice of the execution of the lease or any amendment to the lease by the library board of the public corporation or corporations. If an appeal has been taken to the ~~state board of tax commissioners,~~ **department of local government finance,** then action must be brought within thirty (30) days after the decision of that board.

SECTION 412. IC 20-14-13-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Before a

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library board may collect property taxes for a capital projects fund in a particular year, the library board must, after January 1 and before May 15 of the immediately preceding year, hold a public hearing on a proposed plan, pass a resolution to adopt a plan, and submit the plan for approval or rejection by the fiscal body designated in section 6 of this chapter.

(b) The ~~state board of tax commissioners~~ **department of local government finance** shall prescribe the format of the plan. A plan must apply to at least the three (3) years immediately following the year the plan is adopted. A plan must estimate for each year to which it applies the nature and amount of proposed expenditures from the capital projects fund. A plan must estimate:

(1) the source of all revenue to be dedicated to the proposed expenditures in the upcoming budget year; and

(2) the amount of property taxes to be collected in that year and retained in the fund for expenditures proposed for a later year.

(c) If a hearing is scheduled under subsection (a), the governing body shall publish the proposed plan and a notice of the hearing in accordance with IC 5-3-1-2(b).

SECTION 413. IC 20-14-13-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) If the library board passes a resolution under section 5 of this chapter and the appropriate fiscal body or bodies approve the plan, the library board shall submit the resolution and the plan to the ~~state board of tax commissioners.~~ **department of local government finance.** If the ~~state board of tax commissioners~~ **department of local government finance** determines that:

(1) the library board has correctly advertised the plan under section 5(c) of this chapter;

(2) the plan was adopted by the library board and approved by the appropriate fiscal body or bodies; and

(3) the plan conforms to the format prescribed by the ~~state board of tax commissioners;~~ **department;**

the ~~state board of tax commissioners~~ **department** shall require notice of the submission to be given to the taxpayers of the library district in accordance with IC 5-3-1-2(b).

(b) Ten (10) or more taxpayers who will be affected by the adopted plan may file a petition with the county auditor of a county in which the library district is located not later than ten (10) days after the publication, setting forth their objections to the proposed plan. The county auditor shall immediately certify the petition to the ~~state board of tax commissioners.~~ **department of local government finance.**

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SECTION 414. IC 20-14-13-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. The ~~state board of tax commissioners~~ **department of local government finance** shall, within a reasonable time, fix a date for a hearing on the petition filed under section 7(b) of this chapter. The hearing shall be held in a county in which the library district is located. The ~~state board of tax commissioners~~ **department of local government finance** shall notify:

(1) the library board; and

(2) the first ten (10) taxpayers whose names appear upon the petition;

at least five (5) days before the date fixed for the hearing.

SECTION 415. IC 20-14-13-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. After a hearing upon the petition under section 8 of this chapter, the ~~state board of tax commissioners~~ **department of local government finance** shall certify its approval, disapproval, or modification of the plan to the library board and the auditor of the county. The action of the ~~state board of tax commissioners~~ **department of local government finance** with respect to the plan is final.

SECTION 416. IC 20-14-13-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. The ~~state board of tax commissioners~~ **department of local government finance** may approve appropriations from the capital projects fund only if the appropriations conform to a plan that has been adopted and approved in compliance with this chapter.

SECTION 417. IC 20-14-13-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) A library board may amend an adopted and approved plan to:

(1) provide money for the purposes described in section 4(b)(4) of this chapter; or

(2) supplement money accumulated in the capital projects fund for those purposes.

(b) When an emergency arises that results in costs that exceed the amount accumulated in the fund for the purposes described in section 4(b)(4) of this chapter, the library board must immediately apply to the ~~state board of tax commissioners~~ **department of local government finance** for a determination that an emergency exists. If the ~~state board of tax commissioners~~ **department of local government finance** determines that an emergency exists, the library board may adopt a resolution to amend the plan. The amendment is not subject to the deadline and the procedures for adoption described in section 5 of this chapter. However, the amendment is subject to modification by the

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~~state board of tax commissioners.~~ **department of local government finance.**

(c) An amendment adopted under this section may require the payment of eligible emergency costs from:

(1) money accumulated in the capital projects fund for other purposes; or

(2) money to be borrowed from other funds of the library board or from a financial institution.

The amendment may also provide for an increase in the property tax rate for the capital projects fund to restore money to the fund or to pay principal and interest on a loan. However, before the property tax rate for the fund may be increased, the library board must submit and obtain the approval of the appropriate fiscal body or bodies, as provided in section 6 of this chapter. An increase to the property tax rate for the capital projects fund is effective for property taxes first due and payable for the year next certified by the ~~state board of tax commissioners~~ **department of local government finance** under IC 6-1.1-17-16. However, the property tax rate may not exceed the maximum rate established under section 12 of this chapter.

SECTION 418. IC 20-14-13-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. The ~~state board of tax commissioners~~ **department of local government finance** may adopt rules under IC 4-22-2 to implement this chapter.

SECTION 419. IC 21-2-3.2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. Before altering or constructing the building or addition, the proposed action must be submitted for approval to the ~~state board of tax commissioners.~~ **department of local government finance.** The ~~board~~ **department of local government finance** shall set the proposal for hearing and have ten (10) days' notice of the hearing given to the taxpayers of the taxing district by:

(1) one (1) publication in each of two (2) newspapers of opposite political parties published in the taxing district;

(2) one (1) publication if only one (1) newspaper is published;

(3) publication in two (2) newspapers representing the two (2) leading political parties published in the county and having a general circulation in the taxing district if no newspaper is published in the district; or

(4) publication in one (1) newspaper if only one (1) paper is published in the county.

The ~~state board of tax commissioners~~ **department of local government finance** shall conduct the hearing in the taxing district.

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After the hearing upon the proposal, the ~~board~~ **department of local government finance** shall certify its approval or disapproval to the auditor of the county and to the township trustee.

SECTION 420. IC 21-2-3.2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. Upon approval by the ~~state board of tax commissioners,~~ **department of local government finance,** the township trustee may, with the consent of the township board, issue and sell the bonds of the civil township in an amount sufficient to pay for the alteration, construction, or addition described in section 2 of this chapter. The trustee may levy a tax on the taxable property of the township in an amount sufficient to discharge the bonds issued and sold. The bonds may not bear a maturity date more than twenty (20) years from the date of issue.

SECTION 421. IC 21-2-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. A tax levy shall be established by the governing body of each school corporation for the 1968 calendar year and all succeeding calendar years sufficient to pay all debt service obligations. If the advertised levy is insufficient to produce revenue to meet all debt service obligations for any calendar year, the ~~state board of tax commissioners~~ **department of local government finance** is hereby authorized to establish a levy greater than advertised, if necessary, to meet such obligations.

SECTION 422. IC 21-2-5.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The procedure for establishing a repair and replacement fund is the same as the procedure to be used in making an additional appropriation under IC 6-1.1-18-5. The resolution of the governing body must be in the form prescribed by the ~~state board of tax commissioners~~ **department of local government finance** and must contain at least the following:

(1) The annual amount permitted to be expended from the fund each year.

(2) The duration of the fund, which may not exceed five (5) years.

(3) That the sources for the fund for each year shall be from either the general fund or the capital projects fund, or both.

SECTION 423. IC 21-2-5.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The repair and replacement fund may be reduced or rescinded before its expiration by resolution of the governing body of the school corporation.

(b) Not later than August 1 of any year, ten (10) or more taxpayers in the taxing district may file with the county auditor of the county in which the taxing district is located a petition for reduction or rescission

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of the fund. The petition must set forth the taxpayers' objections to the fund. The petition shall be certified to the ~~state board of tax commissioners.~~ **department of local government finance.**

(c) Upon receipt of a petition under subsection (b), the ~~state board of tax commissioners~~ **department of local government finance** shall, within a reasonable time, fix a date for a hearing on the petition. The hearing must be held in the county in which the taxing district is located. Notice of the hearing shall be given to the executive officer of the taxing unit and to the first ten (10) taxpayers whose names appear on the petition. The notice must be in the form of a letter signed by the ~~secretary or any member of the state board of tax commissioners,~~ **commissioner or deputy commissioner of the department of local government finance,** sent by mail with full prepaid postage to the executive officer and the taxpayers at their usual places of residence at least five (5) days before the date fixed for the hearing.

(d) After the hearing under subsection (c), the ~~state board of tax commissioners~~ **department of local government finance** shall approve, disapprove, or modify the request for reduction or rescission of the fund and shall certify that decision to the county auditor of the county in which the taxing district is located.

(e) If the repair and replacement fund is rescinded under this section, any balance remaining shall be transferred to the school corporation's capital projects fund under IC 21-2-15.

SECTION 424. IC 21-2-11.5-2, AS AMENDED BY P.L.1-2001, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Each calendar year, the governing body of each school corporation shall establish a school transportation fund which shall be the exclusive fund used by the school corporation for the payment of costs attributable to transportation listed in subdivisions (1) through (7), as authorized under IC 20, of school children during the school year ending in the calendar year:

(1) The salaries paid bus drivers, transportation supervisors, mechanics and garage employees, clerks, and other transportation-related employees.

(2) Contracted transportation service, other than costs payable from the school bus replacement fund under subsection (e).

(3) Wages of independent contractors.

(4) Contracts with common carriers.

(5) Pupil fares.

(6) Transportation-related insurance.

(7) Other expenses of operating the school corporation's transportation service, including gasoline, lubricants, tires,

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repairs, contracted repairs, parts, supplies, equipment, and other related expenses.

(b) The governing body of each school corporation shall establish a school bus replacement fund. The school bus replacement fund shall be the exclusive fund used to pay the following costs attributable to transportation:

(1) Amounts paid for the replacement of school buses, either through a purchase agreement or under a lease agreement.

(2) The costs of contracted transportation service payable from the school bus replacement fund under subsection (e).

(c) Beginning January 1, 1996, portions, percentages, or parts of salaries of teaching personnel or principals are not attributable to transportation. However, parts of salaries of instructional aides who are assigned to assist with the school transportation program are attributable to transportation. The costs described in this subsection (other than instructional aide costs) may not be budgeted for payment or paid from the school transportation fund.

(d) Costs for a calendar year are those costs attributable to transportation for school children during the school year ending in the calendar year.

(e) Before the last Thursday in August in the year preceding the first school year in which a proposed contract commences, the governing body of a school corporation may elect to designate a portion of a transportation contract (as defined in IC 20-9.1-1-8), fleet contract (as defined in IC 20-9.1-1-8.2), or common carrier contract (as defined in IC 20-9.1-1-9) as an expenditure payable from the school bus replacement fund. An election under this section must be made in a transportation plan approved by the ~~state board of tax commissioners~~ **department of local government finance** under section 3.1 of this chapter. The election applies throughout the term of the contract. The amount that may be paid from the school bus replacement fund in a school year is equal to the fair market lease value in the school year of each school bus, school bus chassis, or school bus body used under the contract, as substantiated by invoices, depreciation schedules, and other documented information available to the school corporation. The allocation of costs under this subsection to the school bus replacement fund must comply with the allocation guidelines adopted by the ~~state board of tax commissioners~~ **department of local government finance** and the accounting standards prescribed by the state board of accounts.

SECTION 425. IC 21-2-11.5-3, AS AMENDED BY P.L.96-2000, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Subject to subsection (b), each school

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corporation may levy for the calendar year a property tax for the school transportation fund sufficient to pay all operating costs attributable to transportation that:

(1) are not paid from other revenues available to the fund as specified in section 4 of this chapter; and

(2) are listed in section 2(a)(1) through 2(a)(7) of this chapter.

(b) For taxes first due and payable in 1996, the property tax levy for the fund may not exceed the amount determined using the following formula:

STEP ONE: Determine the sum of the expenditures attributable to operating costs listed in section 2(a)(1) through 2(a)(7) of this chapter that were made by the school corporation as determined by the ~~state board of tax commissioners~~ **department of local government finance** for all operating costs attributable to transportation that are not paid from other revenues available to the fund for school years ending in 1993, 1994, and 1995.

STEP TWO: Divide the amount determined in STEP ONE by three (3).

STEP THREE: Determine the greater of:

(A) the STEP TWO amount; or

(B) the school corporation's actual transportation fund levy attributable to operating costs for property taxes first due and payable in 1995.

STEP FOUR: Multiply the amount determined in STEP THREE by one and five-hundredths (1.05).

(c) For each year after 1996, the levy for the fund may not exceed the levy for the previous year multiplied by the assessed value growth quotient determined using the following formula:

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the school corporation's total assessed value of all taxable property in the particular calendar year, divided by the school corporation's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

STEP FOUR: Determine the greater of the result computed in

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STEP THREE or one and five-hundredths (1.05).

STEP FIVE: Determine the lesser of the result computed in STEP FOUR or one and one-tenth (1.1).

If the assessed values of taxable property used in determining a school corporation's property taxes that are first due and payable in a particular calendar year are significantly increased over the assessed values used for the immediately preceding calendar year's property taxes due to the settlement of litigation concerning the general reassessment of that school corporation's real property, then for purposes of determining that school corporation's assessed value growth quotient for an ensuing calendar year, the ~~state board of tax commissioners~~ **department of local government finance** shall replace the quotient described in STEP TWO for that particular calendar year. The ~~state board of tax commissioners~~ **department of local government finance** shall replace that quotient with one that as accurately as possible will reflect the actual growth in the school corporation's assessed values of real property from the immediately preceding calendar year to that particular calendar year. The maximum property levy limit computed under this section for the school transportation fund shall be reduced to reflect the transfer of costs for operating to the school bus replacement fund under section 2(e) of this chapter. The total reduction in the school transportation fund maximum property tax levy may not exceed the amount of the fair market lease value of the contracted transportation service expenditures paid from the fund before the transfer.

(d) Each school corporation may levy for the calendar year a tax for the school bus replacement fund in accordance with the school bus acquisition plan adopted under section 3.1 of this chapter.

(e) The tax rate and levy for each fund shall be established as a part of the annual budget for the calendar year in accord with IC 6-1.1-17.

SECTION 426. IC 21-2-11.5-3.1, AS AMENDED BY P.L.178-2001, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.1. (a) This subsection does not apply to a school corporation located in a ~~city having a population of more than ninety thousand (90,000) but less than one hundred ten thousand (110,000).~~ **city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000).** Before a governing body may collect property taxes for the school bus replacement fund in a particular calendar year, the governing body must, after January 1 and not later than September 20 of the immediately preceding year:

(1) conduct a public hearing on; and

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(2) pass a resolution to adopt;

a plan under this section.

(b) This subsection applies only to a school corporation located in a ~~city having a population of more than ninety thousand (90,000) but less than one hundred ten thousand (110,000).~~ **city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000).** Before the governing body of the school corporation may collect property taxes for the school transportation fund's school bus replacement account in a particular calendar year, the governing body must, after January 1 and on or before February 1 of the immediately preceding year:

(1) conduct a public hearing on; and

(2) pass a resolution to adopt;

a plan under this section.

(c) The ~~state board of tax commissioners~~ **department of local government finance** shall prescribe the format of the plan. A plan must apply to at least the ten (10) budget years immediately following the year the plan is adopted. A plan must at least include the following:

(1) An estimate for each year to which it applies of the nature and amount of proposed expenditures from the transportation fund's school bus replacement fund.

(2) A presumption that the minimum useful life of a school bus is not less than ten (10) years.

(3) An identification of:

(A) the source of all revenue to be dedicated to the proposed expenditures in the upcoming budget year; and

(B) the amount of property taxes to be collected in that year and the unexpended balance to be retained in the fund for expenditures proposed for a later year.

(4) If the school corporation is seeking to:

(A) acquire; or

(B) contract for transportation services that will provide;

additional school buses or school buses with a larger seating capacity as compared to the number and type of school buses from the prior school year, evidence of a demand for increased transportation services within the school corporation. Clause (B) does not apply if contracted transportation services are not paid from the school bus replacement fund.

(5) If the school corporation is seeking to:

(A) replace an existing school bus earlier than ten (10) years after the existing school bus was originally acquired; or

(B) require a contractor to replace a school bus;

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evidence that the need exists for the replacement of the school bus. Clause (B) does not apply if contracted transportation services are not paid from the school bus replacement fund.

(6) Evidence that the school corporation that seeks to acquire additional school buses under this section is acquiring or contracting for the school buses only for the purposes specified in subdivision (4) or for replacement purposes.

(d) After reviewing the plan, the ~~state board of tax commissioners~~ **department of local government finance** shall certify its approval, disapproval, or modification of the plan to the governing body and the auditor of the county. The ~~state board of tax commissioners~~ **department of local government finance** may seek the recommendation of the school property tax control board with respect to this determination. The action of the ~~state board of tax commissioners~~ **department of local government finance** with respect to the plan is final.

(e) The ~~state board of tax commissioners~~ **department of local government finance** may approve appropriations from the transportation fund's school bus replacement fund only if the appropriations conform to a plan that has been adopted in compliance with this section.

(f) A governing body may amend a plan adopted under this section. When an amendment to a plan is required, the governing body must declare the nature of and the need for the amendment and must show cause as to why the original plan no longer meets the transportation needs of the school corporation. The governing body must then conduct a public hearing on and pass a resolution to adopt the amendment to the plan. The plan, as proposed to be amended, must comply with the requirements for a plan under subsection (c). This amendment to the plan is not subject to the deadlines for adoption described in subsection (a) or (b). However, the amendment to the plan must be submitted to the ~~state board of tax commissioners~~ **department of local government finance** for its consideration and is subject to approval, disapproval, or modification in accordance with the procedures for adopting a plan set forth in this section.

(g) If a public hearing is scheduled under this section, the governing body shall publish a notice of the public hearing and the proposed plan or amendment to the plan in accordance with IC 5-3-1-2(b).

SECTION 427. IC 21-2-12-3, AS AMENDED BY P.L.3-2000, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in this chapter:

(a) "County" means a county having a population of more than four

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hundred thousand (400,000) but less than seven hundred thousand (700,000).

(b) "County auditor", "county treasurer", and "county council" mean, respectively, the auditor, treasurer, and county council of the county.

(c) "School corporation" means any school corporation of the state of Indiana which has under its jurisdiction any territory located in the county.

(d) "County supplemental school financing tax" means the tax to be levied by the board of county commissioners under this chapter.

(e) "County school distribution fund" means the county fund into which the receipts from the county supplemental financing tax shall be credited and from which distributions to the school corporations shall be charged.

(f) "Average daily membership" or "ADM" has the meaning set forth in IC 21-3-1.6-1.1.

(g) "Assessed valuation" of any school corporation means the net assessed value of its real and taxable personal property adjusted by a percentage factor. For each school corporation this factor shall be the most recent adjustment factor computed by the ~~state board of tax commissioners~~ **department of local government finance** pursuant to IC 6-1.1-34.

(h) "School year" means a year beginning July 1 and ending the next June 30.

(i) The "entitlement" of a school corporation is that portion of the county school distribution fund to which any school corporation is entitled for any calendar year and on the basis of which the county supplemental school financing tax is set under the provisions of this chapter.

(j) "Eligible pupil" has the meaning set forth in IC 21-3-1.6-1.1.

SECTION 428. IC 21-2-12-4.1, AS AMENDED BY P.L.3-2000, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.1. (a) Each calendar year, commencing in 1976, the county council shall impose on account of this fund the county school supplemental financing tax on the real and personal property subject to taxation by the county at the same time it adopts the county's budget, tax levy, and tax rate for the next calendar year under IC 6-1.1-17. The council shall set a rate for this tax which will produce the aggregate amount of the entitlements of the school corporations for the next calendar year as set out in section 6.1 of this chapter. In no event, however, may the amount of such levy be greater than the total dollar amount of that levy for 1972, payable in the calendar year 1973, assuming one hundred percent (100%) tax collection, multiplied by the

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ADA ratio (as defined in IC 6-1.1-19-1(d)).

(b) On or before July 10 of each year, the state superintendent of public instruction shall certify to the county auditor the consolidated ADA ratio of the school corporations in the county, the number of pupils in ADM of each school corporation in the county for the immediately preceding school year, and an estimate of these statistics for the succeeding school year. The county auditor shall compute the amount of the county supplemental school tax to be levied each year and on or before August 1 certify the amount to the county council. The rate required by this chapter shall be advertised and fixed by the county council in the same manner as other rates, and the tax rate shall be subject to all applicable law relating to review by the county tax adjustment board and the ~~state board of tax commissioners.~~ **department of local government finance.** The ~~state board of tax commissioners~~ **department of local government finance** shall, however, certify the county supplemental school financing tax rate required by this chapter at the time it certifies the other county rates. The ~~state board of tax commissioners~~ **department of local government finance** shall raise or lower this rate to the rate provided in this chapter, whether below or above the rate advertised by the county.

SECTION 429. IC 21-2-12-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. The ~~state board of tax commissioners~~ **department of local government finance** and the state superintendent of public instruction shall make certifications of any information in their possession, or any other certifications required by this chapter which will facilitate its execution.

SECTION 430. IC 21-2-13-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The following terms wherever used and referred to in this chapter shall have the following meanings unless otherwise indicated by the context:

(a) The term "average daily membership (ADM)" has the same meaning as defined in IC 21-3-1.6-1.1(d).

(b) "County" means a county having a population of more than ~~thirty-eight thousand five hundred (38,500) but less than thirty-nine thousand (39,000)~~ **forty-six thousand one hundred eight (46,108) but less than forty-six thousand two hundred fifty (46,250)** and any area attached thereto for school purposes.

(c) "County auditor" means the auditor of the county.

(d) "School corporation" means any school corporation of the state of Indiana which has under its jurisdiction any territory located in the county or assigned to the county for school purposes.

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(e) "County supplemental school financing tax" means the tax to be levied by the board of county commissioners under this chapter for all areas assigned to the county for school purposes.

(f) "County school distribution fund" means the county fund into which the receipts from the county supplemental financing tax shall be credited and from which distribution to the school corporation shall be charged.

(g) "Assessed valuation" of any school corporation means the net assessed value of its real and taxable personal property adjusted by a percentage factor. This factor shall be computed by the ~~state board of tax commissioners~~ **department of local government finance** on a township-wide basis for each township in the county and areas assigned thereto for school purposes in the same manner that the ~~state board of tax commissioners~~ **department of local government finance** computes a factor for the various counties of the state under IC 6-1.1-34. In determining the assessed valuation of any school corporation, the factor for any township shall be applied to the assessed valuation of the real and taxable personal property of each school corporation lying within such township and school areas attached thereto.

(h) "School year" means school year as defined in IC 20-10.1-2-1.

(i) The "entitlement" of a school corporation is that portion of the county school distribution fund to which any school corporation is entitled for any calendar year and on the basis of which the county supplemental school financing tax is set under the provisions of this chapter.

(j) "Receiving school corporation" means any school corporation receiving an entitlement under this chapter which exceeds the amount of the tax, provided for in section 5 of this chapter, collected on the assessed valuation of such school corporation.

(k) "Paying school corporation" means any school corporation in which the tax provided for in section 5 of this chapter, collected on the assessed valuation of such school corporation, exceeds the amount of the entitlement payable to such school corporation under this chapter.

(l) "Total school tax rate" means the sum of the tax rates levied for all school purposes.

SECTION 431. IC 21-2-13-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The board of county commissioners of any such county of this state referred to in section 3 of this chapter shall levy a tax at a rate which shall be sufficient to annually provide adequate funds to carry out the purposes of this chapter, which tax levy and rate shall be known as the county

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supplemental school financing tax. The various officials and employees of any such county and the school corporations therein charged with the duty of levying, collecting, and receiving other property tax funds for county and/or school purposes are hereby authorized and directed to take the appropriate and respective steps as otherwise required by law for the levying, collecting, and receiving of taxes in order that the said county supplemental school financing tax shall be levied, collected, and received. The receipts from the county supplemental school financing tax shall be credited into the county school distribution fund and paid from this fund by the auditor to the various school corporations of the county and areas attached thereto for school purposes in accordance with the terms and conditions of this chapter.

(b) Whenever the area of a school corporation of any such county shall extend into an adjoining county, the tax rate fixed by such board of county commissioners, aforesaid, shall control for the levying and assessment of such tax in the area so extending into such adjoining county. In such case, the board of county commissioners of such adjoining county and the county officials thereof shall take all appropriate and necessary action as otherwise required by law for the levying, collecting, and receiving of such taxes, and the payment thereof, into such school distribution fund, aforesaid, for distribution of same under the provisions of this chapter.

(c) On or before July 10 of each year the state superintendent of public instruction shall deliver to any such county auditor a certified statement of the number of pupils in average daily attendance in grades 1 through 12 residing in each school corporation in any such county or areas attached thereto for school purposes for the immediately preceding school year. Upon the receipt of such information, the county auditor shall compute the amount to be distributed to each of said school corporations from the receipts of the tax levy provided, based upon the formula set forth in this chapter.

(d) The county auditor shall annually issue a warrant to the county treasurer ordering the payment to the respective school corporations of any such county of the various amounts in the county school distribution fund at each semiannual tax settlement period during the year in which the said tax shall have been collected.

(e) The various school corporations in any such county including areas attached thereto for school purposes and the proper officials and employees thereof shall receive the receipts so distributed by the county treasurer in the same manner as other tax receipts are received, and such receipts shall be available to such school corporations for any purpose or purposes for which school expenditures are authorized by

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law. The purpose or purposes for which such receipts shall be used shall rest within the discretion of the administrative officer or governing board of each such school corporation. The budgets of the various school corporations shall, however, reflect the anticipated receipts from said tax and appropriations shall be made from such receipts as other appropriations are made.

(f) The first of any such county tax rate shall be levied in the year 1965 to be collected in the year 1966 and in each year thereafter in accordance with the various provisions of this chapter. The tax levy authorized in this chapter to be made shall be subject to all laws relative to review by the county tax adjustment board and the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 432. IC 21-2-13-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. The amount to be raised by the county supplemental school financing tax shall be determined in any calendar year by the county auditor and certified to by the board of county commissioners prior to the time for making the county budgets in such year. Such amount shall be the total of the entitlements of all school corporations in the county or areas attached thereto for school purposes. The entitlement of each school corporation, thus calculated in each calendar year shall be an amount equal to the result of the following two (2) steps:

STEP ONE: Calculate the quotient of:

(A) the total amount deposited in the county school distribution fund in calendar year 1979 or the first year in which a deposit was made, whichever is later; divided by

(B) the total average daily membership (ADM) of the immediately preceding school year of schools which received money under the fund in 1979.

STEP TWO: Calculate the product of:

(A) the result obtained in STEP ONE; multiplied by

(B) the ADM of the immediately preceding school year of the school corporation which received money under the fund in 1979.

The entitlement of any receiving school corporation shall not have the effect of reducing the total school tax rate in such school corporation below the total school tax rate prevailing in any paying school corporation, and any entitlement payable hereunder shall be reduced so as not to produce such effect. However, the entitlement of a receiving school corporation which levies its maximum general fund tax levy shall not be affected by that receiving school corporation's tax rate. The

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board of county commissioners shall levy a rate on all the real and taxable personal property in the county which is sufficient to raise the total of such entitlements in the same manner as other county rates are levied. In the event the board of county commissioners shall fail in any year to levy the rate required by this section, it shall be the duty of the ~~state board of tax commissioners~~ **department of local government finance** to certify the amount of such levy to the county auditor, and such certified rate shall be the county supplemental school financing tax for such year. The county supplemental school financing tax shall be collected and received by the treasurer of the county in the same manner as other county property taxes are collected.

SECTION 433. IC 21-2-13-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. The ~~state board of tax commissioners~~ **department of local government finance** and the state superintendent of public instruction shall make certifications of any information in their possession, or any other certifications required by this chapter which will facilitate its execution.

SECTION 434. IC 21-2-14-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. This chapter shall apply to any public school corporation, (herein referred to as the "school corporation") in the State of Indiana which:

(1) has advertised an annual general fund budget in an amount in excess of its receipts for such fund from all sources for the calendar year 1971;

(2) has funded its general fund deficits by:

(i) holding bills due in 1971 and paying them in 1972; and

(ii) receiving an advance from the State of Indiana in 1971 of monies allocated to it under State law to be received in 1972;

(3) has or will levy a cumulative building fund tax for the years 1973 through 1975; and

(4) has had the appropriation of the school corporation for its general fund for the year 1972 reduced by 20% or more by the ~~State Board of Tax Commissioners~~ **department of local government finance** because they were in excess of the amount of monies for such year estimated to be available from all sources.

SECTION 435. IC 21-2-14-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. All funds unobligated by contracts in the cumulative building fund and all receipts of the cumulative building fund levy made in 1971, payable in 1972, of each school corporation to which this chapter applies, may be transferred by the board of school trustees or other governing body to a new fund to be known as the supplemental school operating reserve

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fund. The board of school trustees or other governing body shall levy a tax for such fund at not less than the rate which was levied for the cumulative building fund until such fund may be discontinued as provided in section 11 of this chapter. Such tax shall be levied at such rate for such period despite the provisions of any other law. It shall not be reviewed by the county board of tax adjustment nor reduced by the ~~state board of tax commissioners,~~ **department of local government finance,** but shall be imposed by the ~~state board of tax commissioners~~ **department of local government finance** if the board of school trustees fails to levy it. During the time a school corporation has a supplemental school operating reserve fund it shall not have a cumulative building fund, except for funds then in the cumulative building fund unobligated by outstanding contracts. All other construction funds shall be appropriated out of its general fund.

SECTION 436. IC 21-2-14-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) For the purpose of this chapter, "1972 deficit" shall be an amount equal to the sum of:

(1) all monies due the school corporation from the state in 1972 but actually as received as an advance in 1971; plus

(2) the amount of any bills or obligations due in 1971 but not paid by the school corporation until 1972; plus

(3) outstanding and unpaid judgments; plus

(4) the amount by which the school corporation's appropriations are permitted to exceed its available revenues, exclusive of any loans or advancements, as described in section 10 of this chapter.

The amount of such 1972 deficit shall be certified by the ~~state board of tax commissioners~~ **department of local government finance** within ten (10) days after petition requesting a certification of the amount thereof is filed by the school corporation. Such certification shall be binding on all persons as to the amount of such deficit.

(b) "State board" shall be the director of the ~~state~~ budget agency and the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 437. IC 21-2-14-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The loan provided in section 4 of this chapter shall be initiated by a resolution of the governing body of the school corporation in an amount which, together with the outstanding obligations of the school corporation, shall not exceed its maximum permissible debt under the Indiana constitution. Such resolution shall not be effective until it is approved by the State Board upon petition of the governing body of the school

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corporation.

(b) The provisions of all general laws relating to the filing of petitions requesting issuance of bonds or other evidences of indebtedness (herein referred to as "the loan") and giving of notice of determination to issue bonds, the approval of the appropriation by the ~~state board of tax commissioners,~~ **department of local government finance,** and the right of taxpayers to remonstrate on the issuance or sale of the loan as provided under IC 6-1.1-20 shall not be applicable or shall not be a prerequisite to the validity of such loan, unless the obligation is a lease or lease purchase agreement described in IC 6-1.1-20.

(c) After the petition has been approved by the state board, the loan may be effected either by a loan from a financial institution evidenced by notes or by the issuance of bonds. The loan or the issuance of bonds shall be made only by public bidding after notice, in accordance with IC 5-1-11. The loan or bonds shall be sold at par and bear interest as determined by the bidding. Any bonds issued shall, except as otherwise provided in this section, be governed by IC 20-5-4. Any such bonds or loan may be secured by a pledge of the supplemental school operating reserve fund and the tax levy for such fund, or any unobligated part thereof; and shall be further secured as debt service obligations as provided in IC 20-5-4-10(2).

SECTION 438. IC 21-2-14-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Any loan made under the provisions of section 6 of this chapter shall be repaid out of the supplemental school operating reserve fund levy which shall not be reduced during the term of the loan. In the event the governing body of the school corporation enters any order reducing such levy, the ~~state board of tax commissioners~~ **department of local government finance** is hereby mandated to reinstate such levy at the times it certifies the annual levies for such school corporation.

(b) The amount of any reductions of any distribution, otherwise due the school corporation from the state, in repayment of the advances provided in section 6 of this chapter may be transferred by the school corporation by resolution of the governing body from its supplemental school operating reserve fund to its general fund.

SECTION 439. IC 21-2-14-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. An appropriation by the school corporation shall not be a prerequisite to the validity of the loan or advancement provided by sections 5 through 7 of this chapter. The money obtained from such loan or advancement shall, however, not be expended by such school corporation until an

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additional or emergency appropriation is obtained therefor as provided under applicable law. The obtaining of such additional appropriations, however, shall not require the action of any county tax adjustment board, but shall require only the approval, after appropriate advertising, of the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 440. IC 21-2-14-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. A school corporation may avail itself of the provisions of this chapter only if its 1972 general fund budget, consisting of all annual and additional appropriations approved by the ~~State Board of Tax Commissioners,~~ **department of local government finance,** exceeds its 1972 available general fund revenues exclusive of any loans or advancements, as estimated by the ~~State Board of Tax Commissioners,~~ **department of local government finance,** by no more than thirty-three per cent (33%). Its 1973 advertised appropriations for the general fund shall be within its estimated available revenues therefor.

SECTION 441. IC 21-2-14-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. After a school corporation has paid all loans, bonds, and advances authorized by this chapter and is able to appropriate money for its general fund not to exceed its estimated available revenues as approved by the ~~state board of tax commissioners,~~ **department of local government finance,** it shall terminate its supplemental school operation reserve fund and may, pursuant to applicable law, reinstate the tax levy for its cumulative building fund, as if the supplemental school operation reserve fund levy had been a cumulative building fund levy.

SECTION 442. IC 21-2-15-5, AS AMENDED BY P.L.178-2001, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) This subsection does not apply to a school corporation that is located in a ~~city having a population of more than ninety thousand (90,000) but less than one hundred ten thousand (110,000).~~ **city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000).** Before a governing body may collect property taxes for a capital projects fund in a particular year, the governing body must, after January 1 and not later than September 20 of the immediately preceding year, hold a public hearing on a proposed plan and then pass a resolution to adopt a plan.

(b) This subsection applies only to a school corporation that is located in a ~~city having a population of more than ninety thousand (90,000) but less than one hundred ten thousand (110,000).~~ **city having**

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a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000). Before the governing body of the school corporation may collect property taxes for a capital projects fund in a particular year, the governing body must, after January 1 and on or before February 1 of the immediately preceding year, hold a public hearing on a proposed plan and then pass a resolution to adopt a plan.

(c) The ~~state board of tax commissioners~~ **department of local government finance** shall prescribe the format of the plan. A plan must apply to at least the three (3) years immediately following the year the plan is adopted. A plan must estimate for each year to which it applies the nature and amount of proposed expenditures from the capital projects fund. A plan must estimate:

(1) the source of all revenue to be dedicated to the proposed expenditures in the upcoming calendar year; and

(2) the amount of property taxes to be collected in that year and retained in the fund for expenditures proposed for a later year.

(d) If a hearing is scheduled under subsection (a) or (b), the governing body shall publish the proposed plan and a notice of the hearing in accordance with IC 5-3-1-2(b).

SECTION 443. IC 21-2-15-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The governing body shall publish a notice of the adoption of the plan in accordance with IC 5-3-1-2(b). This publication must be made no later than twenty (20) days after the county auditor posts and publishes the notice of the school corporation's tax rate for the ensuing calendar year.

(b) In the first year that a plan is proposed, ten (10) or more taxpayers who will be affected by the adopted plan may file a petition with the county auditor of a county in which the school corporation is located not later than ten (10) days after the publication, setting forth their objections to the proposed plan. After the first year a plan is proposed, ten (10) or more taxpayers who will be affected by the adopted plan may file a petition with the county auditor of a county in which the school corporation is located not later than ten (10) days after the publication, setting forth their objections to any item in the proposed plan that does not concern a construction project that had previously been included in an adopted capital project fund plan. The county auditor shall immediately certify the petition to the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 444. IC 21-2-15-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. The ~~state board of tax commissioners~~ **department of local government finance** shall,

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within a reasonable time, fix a date for a hearing on the petition, filed under section 6(b) of this chapter, which shall be held in a county in which the school corporation is located. The ~~state board of tax commissioners~~ **department of local government finance** shall notify:

(1) the governing body; and

(2) the first ten (10) taxpayers whose names appear upon the petition;

at least five (5) days before the date fixed for the hearing.

SECTION 445. IC 21-2-15-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. After a hearing upon the petition under section 7 of this chapter, the ~~state board of tax commissioners~~ **department of local government finance** shall certify its approval, disapproval, or modification of the plan to the governing body and the auditor of the county. The ~~state board of tax commissioners~~ **department of local government finance** may seek the recommendation of the school property tax control board with respect to this determination. The action of the ~~state board of tax commissioners~~ **department of local government finance** with respect to the plan is final.

SECTION 446. IC 21-2-15-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. The ~~state board of tax commissioners~~ **department of local government finance** may approve appropriations from the capital projects fund only if they conform to a plan that has been adopted in compliance with this chapter.

SECTION 447. IC 21-2-15-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) A governing body may amend a plan adopted under section 5 of this chapter to:

(1) provide money for the purposes described in section 4 of this chapter; or

(2) supplement money accumulated in the capital projects fund for those purposes.

(b) When an amendment to a plan is required by reason other than the occurrence of an emergency, the governing body must hold a public hearing on the proposed amendment. At this hearing, the governing body must declare the nature of and the need for the amendment and then pass a resolution to adopt the amendment to the plan. The plan, as proposed to be amended, must comply with the requirements for a plan under section 5(b) of this chapter, and the governing body must publish the proposed amendment to the plan and notice of the hearing in accordance with IC 5-3-1-2(b). This amendment to the plan is not subject to the deadline for adoption described in section 5(a) of this

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chapter. However, the amendment to the plan must be submitted to the ~~state board of tax commissioners~~ **department of local government finance** for its consideration and is subject to approval, disapproval, or modification in accordance with the procedures for adopting a plan set forth in sections 6 through 8 of this chapter.

(c) When an emergency arises that results in costs that exceed the amount accumulated in the fund for the purposes described in section 4(b)(4) of this chapter, the governing body is not required to comply with subsection (b), but instead must immediately apply to the ~~state board of tax commissioners~~ **department of local government finance** for a determination that an emergency exists. If the ~~board~~ **department of local government finance** determines that an emergency exists, the governing body may adopt a resolution to amend the plan. The amendment is not subject to the deadline and the procedures for adoption described in section 5 of this chapter. However, the amendment is subject to modification by the ~~state board of tax commissioners.~~ **department of local government finance.**

(d) An amendment adopted under this section may require the payment of eligible costs from:

(1) money accumulated in the capital projects fund for other purposes; or

(2) money to be borrowed from other funds of the school corporation or from a financial institution. The amendment may also require an increase in the property tax rate for the capital projects fund to restore money to the fund or to pay principal and interest on a loan. Any increase to the property tax rate for the capital projects fund is effective for property taxes first due and payable for the year next certified by the ~~state board of tax commissioners~~ **department of local government finance** under IC 6-1.1-17-16. However, the property tax rate may not exceed the maximum rate established under section 11 of this chapter.

SECTION 448. IC 21-2-15-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) To provide for the capital projects fund, the governing body may, for each year in which a plan adopted under section 5 of this chapter is in effect, impose a property tax rate that does not exceed forty-one and sixty-seven hundredths cents ($0.4167) on each one hundred dollars ($100) of assessed valuation of the school corporation. This actual rate must be advertised in the same manner as other property tax rates.

(b) The maximum property tax rate levied by each school corporation must be adjusted each time a general reassessment of property takes effect.

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(c) The new maximum rate under this section is the tax rate determined under STEP SEVEN of the following formula:

STEP ONE: Determine the maximum rate for the school corporation for the year preceding the year in which the general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the year preceding the year the general reassessment takes effect to the year that the general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(d) The ~~state board of tax commissioners~~ **department of local government finance** shall compute the maximum rate allowed under subsection (c) and provide the rate to each school corporation.

SECTION 449. IC 21-2-15-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. The ~~state board of tax commissioners~~ **department of local government finance** may adopt rules under IC 4-22-2 to implement this chapter.

SECTION 450. IC 21-3-1.6-1.1, AS AMENDED BY P.L.291-2001, SECTION 239, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.1. As used in this chapter:

(a) "School corporation" means any local public school corporation established under Indiana law.

(b) "School year" means a year beginning July 1 and ending the next succeeding June 30.

(c) "State distribution" due a school corporation means the amount

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of state funds to be distributed to a school corporation in any calendar year under this chapter.

(d) "Average daily membership" or "ADM" of a school corporation means the number of eligible pupils enrolled in the school corporation or in a transferee corporation on a day to be fixed annually by the Indiana state board of education. Such day shall fall within the first thirty (30) days of the school term. If, however, extreme patterns of student in-migration, illness, natural disaster, or other unusual conditions in a particular school corporation's enrollment on the particular day thus fixed, cause the enrollment to be unrepresentative of the school corporation's enrollment throughout a school year, the Indiana state board of education may designate another day for determining the school corporation's enrollment. The Indiana state board of education shall monitor changes that occur after the fall count, in the number of students enrolled in programs for children with disabilities and shall, before December 2 of that same year, make an adjusted count of students enrolled in programs for children with disabilities. The superintendent of public instruction shall certify the adjusted count to the budget committee before February 5 of the following year. In determining the ADM, each kindergarten pupil shall be counted as one-half (1/2) pupil. Where a school corporation commences kindergarten in a school year, the ADM of the current and prior calendar years shall be adjusted to reflect the enrollment of the kindergarten pupils. In determining the ADM, each pupil enrolled in a public school and a nonpublic school is to be counted on a full-time equivalency basis as provided in section 1.2 of this chapter. "Current ADM" of a school corporation used in computing its state distribution in a calendar year means the ADM of the school year ending in the calendar year. "ADM of the previous year" or "ADM of the prior year" of a school corporation used in computing its state distribution in a calendar year means the ADM of the school corporation for the school year ending in the preceding calendar year.

(e) "Additional count" of a school corporation, or comparable language, means the aggregate of the additional counts of the school corporation for certain pupils as set out in section 3 of this chapter **(repealed)** and as determined at the times for calculating ADM. "Current additional count" means the additional count of the school corporation for the school year ending in the calendar year. "Prior year additional count" of a school corporation used in computing its state distribution in a calendar year means the additional count of the school corporation for the school year ending in the preceding calendar year.

(f) "Adjusted assessed valuation" of any school corporation used in

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computing state distribution for a calendar year means the assessed valuation in the school corporation, adjusted as provided in IC 6-1.1-34. The amount of the valuation shall also be adjusted downward by the ~~state board of tax commissioners~~ **department of local government finance** to the extent it consists of real or personal property owned by a railroad or other corporation under the jurisdiction of a federal court under the federal bankruptcy laws (11 U.S.C. 101 et seq.) if as a result of the corporation being involved in a bankruptcy proceeding the corporation is delinquent in payment of its Indiana real and personal property taxes for the year to which the valuation applies. If the railroad or other corporation in some subsequent calendar year makes payment of the delinquent taxes, then the state superintendent of public instruction shall prescribe adjustments in the distributions of state funds pursuant to this chapter as are thereafter to become due to a school corporation affected by the delinquency as will ensure that the school corporation will not have been unjustly enriched under the provisions of P.L.382-1987(ss). The amount of the valuation shall also be adjusted downward by the ~~state board of tax commissioners~~ **department of local government finance** to the extent it consists of real or personal property described in IC 6-1.1-17-0.5(b).

(g) "General fund" means a school corporation fund established under IC 21-2-11-2.

(h) "Teacher" means every person who is required as a condition of employment by a school corporation to hold a teacher's license issued or recognized by the state, except substitutes and any person paid entirely from federal funds.

(i) "Teacher ratio" of a school corporation used in computing state distribution in any calendar year means the ratio assigned to the school corporation pursuant to section 2 of this chapter.

(j) "Eligible pupil" means a pupil enrolled in a school corporation if:

(1) the school corporation has the responsibility to educate the pupil in its public schools without the payment of tuition;

(2) subject to subdivision (5), the school corporation has the responsibility to pay transfer tuition under IC 20-8.1-6.1, because the pupil is transferred for education to another school corporation (the "transferee corporation");

(3) the pupil is enrolled in a school corporation as a transfer student under IC 20-8.1-6.1-3 or entitled to be counted for ADM or additional count purposes as a resident of the school corporation when attending its schools under any other applicable law or regulation;

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(4) the state is responsible for the payment of transfer tuition to the school corporation for the pupil under IC 20-8.1-6.1; or

(5) all of the following apply:

(A) The school corporation is a transferee corporation.

(B) The pupil does not qualify as a qualified pupil in the transferee corporation under subdivision (3) or (4).

(C) The transferee corporation's attendance area includes a state licensed private or public health care facility, child care facility, or foster family home where the pupil was placed:

(i) by or with the consent of the division of family and children;

(ii) by a court order;

(iii) by a child placing agency licensed by the division of family and children; or

(iv) by a parent or guardian under IC 20-8.1-6.1-5.

(k) "General fund budget" of a school corporation means the amount of the budget approved for a given year by the ~~state board of tax commissioners~~ **department of local government finance** and used by the ~~state board of tax commissioners~~ **department** in certifying a school corporation's general fund tax levy and tax rate for the school corporation's general fund as provided for in IC 21-2-11.

SECTION 451. IC 21-4-20-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. Whenever it is found by the board of school trustees or other proper authorities of any school city or school town that an emergency exists for the borrowing of money with which to meet the current expenses of the schools of such school town or school city, the board of school trustees or other proper authorities of such school city or school town may make temporary loans in anticipation of the current revenues of such school town or school city to an amount not exceeding fifty per cent (50%) of the amount of taxes actually levied and in the course of collection for the fiscal year in which such loans are made. Revenues shall be deemed to be current and taxes shall be deemed to have been actually levied and in the course of collection when the budget levy and rate shall have been finally approved by the ~~state board of tax commissioners: Provided~~ **department of local government finance.** However, ~~That~~ in all second and third class school cities, no ~~such~~ loans shall be borrowed **under this section** in excess of the sum of twenty thousand dollars ($20,000) until the letting of the ~~same~~ **loans** shall have been advertised once each week for two (2) successive weeks in two (2) newspapers of general circulation published in ~~such~~ **the** school city, and until sealed bids have been submitted at a regular meeting of

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the school board of ~~such~~ **the** school city, pursuant to ~~such~~ **the** notices, stipulating the rate of interest to be charged by ~~such~~ **the** bidder. ~~and Provided, further, That such~~ School loans **under this section** shall be made with the bidder submitting the lowest rate of interest and submitting with ~~his~~ **the** bid an affidavit showing that no collusion exists between ~~himself~~ **that bidder** and any other bidder for ~~such~~ **the** loan.

SECTION 452. IC 21-5-11-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) When the lessor corporation and the school corporation or corporations have agreed upon the terms and conditions of any lease proposed to be entered into pursuant to the terms and conditions of this chapter and before the final execution of such lease a notice shall be given by publication to all persons interested of a hearing to be held before the board of school trustees, the township board, or the body or bodies vested with authority to approve the lease, or a joint meeting thereof, which hearing shall be on a day not earlier than ten (10) days if new construction is proposed or thirty (30) days if improvement or expansion is proposed after the publication of such notice. The notice of such hearing shall be published one (1) time in a newspaper of general circulation printed in the English language in the school corporation, or one (1) of the same if the proposed lease be a joint lease, or if no such paper be published therein, then in any newspaper of general circulation published in the county. Such notice shall name the day, place, and hour of such hearing and shall set forth a brief summary of the principal terms of the lease agreed upon, including the location, name of the proposed lessor corporation and character of the property to be leased, the rental to be paid, and the number of years the contract is to be in effect. The proposed lease, drawings, plans, specifications, and estimates for such school building or buildings shall be available for inspection by the public during said ten (10) day or thirty (30) day period and at said meeting.

(b) All persons interested shall have a right to be heard at the time fixed, upon the necessity for the execution of such lease and whether the rental provided for therein to be paid to the lessor corporation is a fair and reasonable rental for the proposed building. Such hearing may be adjourned to a later date or dates, and within thirty (30) days following the termination of such hearing the board of school trustees, township board, or governing body or bodies of such school corporation or corporations may by a majority vote of all its members either authorize the execution of such lease as originally agreed upon, or make such modifications therein as may be agreed upon with such lessor corporation, but in no event shall the lease rentals as set out in

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the published notice be increased. The cost of the publication of the notice shall be borne by **the** lessor corporation.

(c) In the event the execution of the lease as originally agreed upon, or as modified by agreement, is authorized by such board of school trustees, township board, or governing body or bodies of such school corporation or corporations, such board or governing body shall give notice of the signing of said contract by publication one (1) time in a newspaper of general circulation printed in the English language in the school corporation, or one (1) of the same if the proposed lease be a joint lease, or if no such newspaper be published therein, then in any newspaper of general circulation published in the county. Fifty (50) or more taxpayers in such school corporation or corporations who will be affected by the proposed lease and who may be of the opinion that no necessity exists for the execution of such lease, or that the proposed rental provided for therein is not a fair and reasonable rental, may file a petition in the office of the county auditor of the county in which such school corporation or corporations is located, within thirty (30) days after publication of notice of the execution of such lease, setting forth their objections thereto and facts showing that the execution of the lease is unnecessary or unwise, or that the lease rental is not fair and reasonable, as the case may be. Upon the filing of any such petition, the county auditor shall immediately certify a copy thereof, together with such other data as may be necessary in order to present the questions involved, to the ~~state board of tax commissioners,~~ **department of local government finance,** and upon the receipt of such certified petition and information, the ~~state board of tax commissioners~~ **department** shall fix a time and place for the hearing of such matter which shall not be less than five (5) nor more than thirty (30) days thereafter, and said hearing shall be held in the school corporation or corporations, or in the county where such school corporations are located. Notice of the hearing shall be given by the ~~state board of tax commissioners~~ **department of local government finance** to the members of the board of school trustees, township board, or governing body or bodies of such school corporation or corporations, and to the first fifty (50) taxpayer-petitioners upon such petition by a letter signed by ~~one (1) member of the state board of tax commissioners,~~ **the commissioner or deputy commissioner of the department,** and enclosed with full prepaid postage addressed to such persons at their usual place of residence, at least five (5) days before the date of such hearing. The decision of the ~~state board of tax commissioners~~ **department of local government finance** on such appeal, upon the necessity for the execution of said lease and as to whether the rental is fair and

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reasonable, shall be final.

(d) No action to contest the validity of the lease or to enjoin the performance of any of the terms and conditions of the lease shall be instituted at any time later than thirty (30) days after publication of notice of the execution of the lease by the board of school trustees, township board, or governing body or bodies of such corporation or corporations; or if an appeal has been taken to the ~~state board of tax commissioners,~~ **department of local government finance,** then within thirty (30) days after the decision of ~~said board.~~ **the department.**

SECTION 453. IC 21-5-12-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Except as provided in subsection (d), all contracts of lease shall provide that such school corporation or corporations shall have an option to:

(1) renew the lease for a further term on like conditions; and

(2) purchase the property covered by the lease contract;

the terms and conditions of the purchase to be specified in the lease, subject to the approval of the ~~state board of tax commissioners.~~ **department of local government finance.**

(b) If the option to purchase the property covered by the lease is exercised, such school corporation or corporations, for the purpose of procuring funds to pay the purchase price thereof, may issue and sell bonds under the provisions of the general statute governing the issue and sale of bonds of such school corporation or corporations. The purchase price may not be more than the purchase price set forth in the lease contract with:

(1) two percent (2%) thereof as prepayment penalty for purchase within the first five (5) years of the lease term; or

(2) one percent (1%) thereof as prepayment penalty for purchase in the second five (5) years of the lease term;

and thereafter the purchase shall be without prepayment penalty.

(c) However:

(1) if the school corporation has not or corporations have not exercised an option to purchase the property covered by the lease contract at the expiration of the lease contract; and

(2) upon the full discharge and performance by the school corporation of its or corporations of their obligations under the lease contract;

the property covered by the lease contract shall thereupon become the absolute property of the school corporation or corporations and the lessor corporation shall execute proper instruments conveying to the school corporation or corporations good and merchantable title thereto.

(d) If a school corporation that is located in a county having a

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population of more than ~~thirty-six thousand (36,000) but less than thirty-six thousand seven hundred (36,700)~~ **thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000)** enters into a contract of lease with a religious organization or the organization's agent as authorized under section 2 of this chapter, the contract of lease is not required to include on behalf of the school corporation an option to purchase the property covered by the lease contract, but must include an option to renew the lease. In this case the property covered by the lease contract is not required to become the absolute property of the school corporation as provided in subsection (c).

SECTION 454. IC 21-5-12-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. Such school corporation or corporations may, in anticipation of the acquisition of a site and the construction and erection of such a school building or buildings, including the necessary equipment and appurtenances thereof, make and enter into a contract of lease with such lessor corporation subject to the approval of the ~~state board of tax commissioners~~ **department of local government finance** prior to the actual acquisition of such site and the construction and erection of such building or buildings, but such contract of lease so entered into shall not provide for the payment of any lease rental by the lessee or lessees until the completion of such building or buildings ready for occupancy, at which time the stipulated lease rental may begin. The lessor corporation in such contract of lease shall furnish a bond to the approval of such lessee or lessees conditioned on the final completion of such building or buildings within a period not to exceed one (1) year from the date of the execution of such contract of lease, unavoidable delays excepted.

SECTION 455. IC 21-5-12-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) When the lessor corporation and the school corporation or corporations have agreed upon the terms and conditions of any lease proposed to be entered into pursuant to the terms and conditions of this chapter and before the final execution of such lease a notice shall be given by publication to all persons interested of a hearing to be held before the board of school trustees, the township board, or the body or bodies vested with authority to approve the lease, or a joint meeting thereof, which hearing shall be on a day not earlier than ten (10) days if new construction is proposed or thirty (30) days if improvement or expansion is proposed after the publication of such notice. The notice of such hearing shall be published one (1) time in a newspaper of general circulation printed in the English language in the school

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corporation, or one (1) of the same if the proposed lease be a joint lease, or if no such paper be published therein, then in any newspaper of general circulation published in the county. Such notice shall name the day, place, and hour of such hearing and shall set forth a brief summary of the principal terms of the lease agreed upon, including the location, name of the proposed lessor corporation and character of the property to be leased, the rental to be paid, and the number of years the contract is to be in effect. The proposed lease, drawings, plans, specifications, and estimates for such school building or buildings shall be available for inspection by the public during said ten (10) day or thirty (30) day period and at said meeting. All persons interested shall have a right to be heard at the time fixed, upon the necessity for the execution of such lease and whether the rental provided for therein be paid to the lessor corporation is a fair and reasonable rental for the proposed building. Such hearing may be adjourned to a later date or dates, and within thirty (30) days following the termination of such hearing the board of school trustees, township board, or governing body or bodies of such school corporation or corporations may by a majority vote of all its members either authorize the execution of such lease as originally agreed upon or may make such modifications therein as may be agreed upon with such lessor corporation, but in no event shall the lease rentals as set out in the published notice be increased. The cost of the publication of the notice shall be borne by lessor corporations.

(b) In the event the execution of the lease as originally agreed upon, or as modified by agreement, is authorized by such board of school trustees, township board, or governing body or bodies of such school corporation or corporations, such board or governing body shall give notice of the signing of said contract by publication one (1) time in a newspaper of general circulation printed in the English language in the school corporation, or one (1) of the same if the proposed lease be a joint lease, or if no such newspaper be published therein, then in any newspaper of general circulation published in the county. Ten (10) or more taxpayers in such school corporation or corporations, who will be affected by the proposed lease and who may be of the opinion that no necessity exists for the execution of such lease, or that the proposed rental provided for therein is not a fair and reasonable rental, may file a petition in the office of the county auditor of the county in which such school corporation or corporations is located, within thirty (30) days after publication of notice of the execution of such lease, setting forth their objections thereto and facts showing that the execution of the lease is unnecessary or unwise, or that the lease rental is not fair and

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reasonable as the case may be. Upon the filing of any such petition, the county auditor shall immediately certify a copy thereof, together with such other data as may be necessary in order to present the questions involved, to the ~~state board of tax commissioners,~~ **department of local government finance,** and upon the receipt of such certified petition and information, the ~~state board of tax commissioners~~ **department** shall fix a time and place for the hearing of such matter which shall not be less than five (5) nor more than thirty (30) days thereafter, and said hearing shall be in the school corporation or corporations, or in the county where such school corporations are located. Notice of the hearing shall be given by the ~~state board of tax commissioners~~ **department of local government finance** to the members of the board of school trustees, township board, or governing body or bodies of such school corporation or corporations, and to the first ten (10) taxpayer-petitioners upon such petition by a letter signed by ~~one (1) member of the state board of tax commissioners,~~ **the commissioner or deputy commissioner of the department,** and enclosed with full prepaid postage addressed to such persons at their usual place of residence, at least five (5) days before the date of such hearing. The decision of the ~~state board of tax commissioners~~ **department of local government finance** on such appeal, upon the necessity for the execution of said lease and as to whether the rental is fair and reasonable, shall be final.

(c) No action to contest the validity of the lease or to enjoin the performance of any of the terms and conditions of the lease shall be instituted at any time later than thirty (30) days after publication of notice of the execution of the lease by the board of school trustees, township board, or governing body or bodies of such school corporation or corporations; or if an appeal has been taken to the ~~state board of tax commissioners,~~ **department of local government finance,** then within thirty (30) days after the decision of ~~said board.~~ **the department.**

SECTION 456. IC 25-26-14-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) After September 14, 1992, a person may not engage in wholesale distributions of legend drugs without having a license from the board and paying any reasonable fee required by the board.

(b) The board may not issue or renew the license of a wholesale drug distributor that does not comply with this chapter.

(c) The board may require a separate license for:

(1) each facility directly or indirectly owned or operated by the same business in Indiana; or

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(2) a parent entity with divisions, subsidiaries, or affiliate companies in Indiana when operations are conducted at more than one (1) location and there exists joint ownership and control among all the entities.

(d) An agent or employee of any licensed wholesale drug distributor does not need a license and may lawfully possess pharmaceutical drugs when acting in the usual course of business or employment.

(e) The issuance of a license under this chapter does not affect tax liability imposed by the department of state revenue or the ~~state board of tax commissioners~~ **department of local government finance** on any wholesale drug distributor.

(f) The board may adopt rules that permit out-of-state wholesale drug distributors to obtain a license on the basis of reciprocity if:

(1) an out-of-state wholesale drug distributor possesses a valid license granted by another state and the legal standards for licensure in the other state are comparable to the standards under this chapter; and

(2) the other state extends reciprocity to wholesale drug distributors licensed in Indiana.

SECTION 457. IC 33-3-5-2.5, AS ADDED BY P.L.151-2001, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) As used in this section, "qualifying county" means a county having a population of more than four hundred thousand (400,000) and less than seven hundred thousand (700,000).

(b) As used in this section, "contractor" means the general reassessment contractor of the ~~state board of tax commissioners~~ **department of local government finance** under IC 6-1.1-4-32.

(c) Upon petition from:

(1) the ~~state board of tax commissioners;~~ **department of local government finance;** or

(2) the contractor;

the tax court may order a township assessor in a qualifying county or a county assessor of a qualifying county to produce information requested in writing from the township assessor or county assessor by the ~~state board of tax commissioners~~ **department** or the contractor.

(d) If the tax court orders a township assessor or county assessor to provide requested information as described in subsection ~~(b),~~ **(c),** the tax court shall order production of the information not later than fourteen (14) days after the date of the tax court's order.

(e) The tax court may find that any willful violation of this section by a township assessor or county assessor constitutes a direct contempt of the tax court.

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SECTION 458. IC 33-3-5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) A taxpayer who wishes to initiate an original tax appeal must file a petition in the tax court to set aside the final determination of the department of state revenue or the ~~state board of tax commissioners.~~ **Indiana board of tax review.** If a taxpayer fails to comply with any statutory requirement for the initiation of an original tax appeal, the tax court does not have jurisdiction to hear the appeal.

(b) A taxpayer who wishes to enjoin the collection of a tax pending the original tax appeal must file a petition with the tax court to enjoin the collection of the tax. The petition must set forth a summary of:

(1) the issues that the petitioner will raise in the original tax appeal; and

(2) the equitable considerations for which the tax court should order the collection of the tax to be enjoined.

(c) After a hearing on the petition filed under subsection (b), the tax court may enjoin the collection of the tax pending the original tax appeal, if the tax court finds that:

(1) the issues raised by the original tax appeal are substantial;

(2) the petitioner has a reasonable opportunity to prevail in the original tax appeal; and

(3) the equitable considerations favoring the enjoining of the collection of the tax outweigh the state's interests in collecting the tax pending the original tax appeal.

(d) This section does not apply to a final determination of the department of state revenue under IC 4-32 other than a final determination concerning the gaming card excise tax established under IC 4-32-15.

SECTION 459. IC 33-3-5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The tax court shall establish a small claims docket for processing:

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

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

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

SECTION 460. IC 33-3-5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) The tax court shall render its decisions in writing.

(b) A decision of the tax court remanding the matter of assessment

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of property under IC 6-1.1-15-8 to the ~~state~~ **Indiana** board of tax ~~commissioners~~ **review** shall specify the issues on remand on which the ~~state~~ **Indiana** board of tax ~~commissioners~~ **review** is to act.

(c) The decisions of the tax court may be appealed directly to the supreme court.

SECTION 461. IC 36-1-8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The fiscal body of a political subdivision may, by ordinance or resolution, permit the transfer of a prescribed amount, for a prescribed period, to a fund in need of money for cash flow purposes from another fund of the political subdivision if all these conditions are met:

(1) It must be necessary to borrow money to enhance the fund that is in need of money for cash flow purposes.

(2) There must be sufficient money on deposit to the credit of the other fund that can be temporarily transferred.

(3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs.

(4) The amount transferred must be returned to the other fund at the end of the prescribed period.

(5) Only revenues derived from the levying and collection of property taxes or special taxes or from operation of the political subdivision may be included in the amount transferred.

(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following:

(1) Passes an ordinance or a resolution that contains the following:

(A) A statement that the fiscal body has determined that an emergency exists.

(B) A brief description of the grounds for the emergency.

(C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs.

(2) Immediately forwards the ordinance or resolution to the state board of accounts and the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 462. IC 36-1-8-5.1, AS ADDED BY P.L.251-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.1. (a) A political subdivision may establish

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a rainy day fund to receive transfers of unused and unencumbered funds under section 5 of this chapter.

(b) The rainy day fund is subject to the same appropriation process as other funds that receive tax money. Before making an appropriation from the rainy day fund, the fiscal body shall make a finding that the proposed use of the rainy day fund is consistent with the intent of the fund.

(c) In any fiscal year, a political subdivision may transfer not more than ten percent (10%) of the political subdivision's total budget for that fiscal year to the rainy day fund.

(d) The ~~state board of tax commissioners~~ **department of local government finance** may not reduce the actual or maximum permissible levy of a political subdivision as a result of a balance in the rainy day fund of the political subdivision.

SECTION 463. IC 36-1-10-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. Notwithstanding sections 6, 12, 16, and 17 of this chapter, the following procedure shall be followed whenever a lease does not contain an option to purchase:

(1) The term of the lease may not be longer than ten (10) years; however, a lease may be for a longer term if the lease is approved by the ~~state board of tax commissioners.~~ **department of local government finance.**

(2) The lease must provide that the lease is subject to annual appropriation by the appropriate fiscal body.

(3) The leasing agent must have a copy of the lease filed and kept in a place available for public inspection.

A leasing agent may lease part of a structure.

SECTION 464. IC 36-1-10-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) If lease rentals are payable, in whole or in part, from property taxes, ten (10) or more taxpayers in the political subdivision who disagree with the execution of a lease under this chapter may file a petition in the office of the county auditor of the county in which the leasing agent is located, within thirty (30) days after publication of notice of the execution of the lease. The petition must state the taxpayer's objections and the reasons why the lease is unnecessary or unwise.

(b) The county auditor shall immediately certify a copy of the petition, together with other data necessary to present the questions involved, to the ~~state board of tax commissioners.~~ **department of local government finance.** Upon receipt of the certified petition and other data, the ~~state board of tax commissioners~~ **department of local government finance** shall fix a time and place for the hearing of the

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matter. The hearing shall be held not less than five (5) nor more than thirty (30) days after the receipt of the certified documents.

(c) The hearing shall be held in the political subdivision where the petition arose.

(d) Notice of the hearing shall be given by the ~~state board of tax commissioners~~ **department of local government finance** to the leasing agent and to the first ten (10) taxpayer petitioners listed on the petition by a letter signed by ~~one (1) member of the state board of tax commissioners.~~ **the commissioner or deputy commissioner of the department.** The letter shall be sent to the first ten (10) taxpayer petitioners at their usual place of residence at least five (5) days before the date of the hearing. The decision by the ~~state board of tax commissioners~~ **department of local government finance** on the objections presented in the petition is final.

SECTION 465. IC 36-1-10-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. An action to contest the validity of a lease under this chapter, or to enjoin performance under the lease, must be brought within thirty (30) days after publication of notice of the execution of the lease by the leasing agent or, if an appeal has been taken to the ~~state board of tax commissioners,~~ **department of local government finance,** then within thirty (30) days after the decision of the ~~state board of tax commissioners.~~ **department.**

SECTION 466. IC 36-1-10-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) A political subdivision or agency owning a structure with respect to which its revenue bonds are outstanding may, to refinance those bonds, convey the structure to the lessor in fee simple and lease it from the lessor in accordance with this chapter, subject to the approval of the ~~state board of tax commissioners.~~ **department of local government finance.**

(b) The price of a purchase under this section must be at least the sum of:

(1) the principal amount of the outstanding revenue bonds;

(2) interest on those bonds to the maturity date of bonds not subject to redemption before maturity and to the first redemption date of bonds subject to redemption before maturity; and

(3) the redemption premiums on all bonds subject to redemption before maturity.

An amount not less than this sum shall be deposited in trust for the payment of the outstanding revenue bonds in a manner consistent with the ordinance or trust agreement under which the bonds were issued. The money deposited in the trust, and investment income from it, not

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required for the payment of the bonds, shall be applied to the payment of the obligations issued by the lessor for the acquisition of the structure, and to a corresponding reduction of rentals for the leasing agent.

(c) Each lease entered into under this section must include an option permitting the political subdivision or agency to purchase the structure at a price not exceeding the amount required to retire all outstanding obligations issued by the lessor to acquire the property covered by the lease. The lease and sale of a parking facility under this section does not preclude the lease of air rights.

SECTION 467. IC 36-1-15-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The ~~state board of tax commissioners~~ **department of local government finance** shall compute, in conjunction with the approvals required under IC 6-1.1-18.5-8(b) and IC 6-1.1-19-8, an adjusted value of the taxable property within each political subdivision. The ~~state board of tax commissioners~~ **department of local government finance** may request a certification of net assessed valuation from the county auditor in order to make a calculation under this section.

SECTION 468. IC 36-1-15-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The ~~state board of tax commissioners~~ **department of local government finance** shall do the following:

(1) Maintain a schedule of the adjusted value of taxable property of each political subdivision.

(2) Provide the political subdivision and the county auditor for the county in which a political subdivision is located with the latest adjusted value of taxable property determined for the political subdivision.

SECTION 469. IC 36-1-15-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. The ~~state board of tax commissioners are~~ **department of local government finance is** not liable for an erroneous determination or computation made by the ~~state board~~ **department** under this chapter.

SECTION 470. IC 36-2-15-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The county assessor shall perform the functions assigned by statute to the county assessor, including the following:

(1) Countywide equalization.

(2) Selection and maintenance of a countywide computer system.

(3) Certification of gross assessments to the county auditor.

(4) Discovery of omitted property.

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(b) The county assessor shall perform the functions of an assessing official under IC 36-6-5-2 in a township with a township assessor-trustee if the township assessor-trustee:

(1) fails to make a report that is required by law;

(2) fails to deliver a property tax record to the appropriate officer or board;

(3) fails to deliver an assessment to the county assessor; or

(4) fails to perform any other assessing duty as required by statute or rule of the ~~state board of tax commissioners;~~ **department of local government finance;**

within the time period prescribed by statute or rule of the ~~state board of tax commissioners~~ **department** or within a later time that is necessitated by reason of another official failing to perform the official's functions in a timely manner.

(c) A township with a township trustee-assessor may, with the consent of the township board, enter into an agreement with:

(1) the county assessor; or

(2) another township assessor in the county;

to perform any of the functions of an assessing official. A township trustee-assessor may not contract for the performance of any function for a period of time that extends beyond the completion of the township trustee-assessor's term of office.

SECTION 471. IC 36-3-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) This section applies whenever a special taxing district of the consolidated city has the power to issue bonds, notes, or warrants.

(b) Before any bonds, notes, or warrants of a special taxing district may be issued, the issue must be approved by resolution of the legislative body of the consolidated city.

(c) Any bonds of a special taxing district must be issued in the manner prescribed by statute for that district, and the board of the department having jurisdiction over the district shall:

(1) hold all required hearings;

(2) adopt all necessary resolutions; and

(3) appropriate the proceeds of the bonds;

in that manner. However, the legislative body shall levy each year the special tax required to pay the principal of and interest on the bonds and any bank paying charges.

(d) Notwithstanding any other statute, bonds of a special taxing district may:

(1) be dated;

(2) be issued in any denomination;

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(3) mature at any time or times not exceeding fifty (50) years after their date; and

(4) be payable at any bank or banks;

as determined by the board. The interest rate or rates that the bonds will bear must be determined by bidding, notwithstanding IC 5-1-11-3.

(e) Bonds of a special taxing district are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to the filing of a petition requesting the issuance of bonds and giving notice of the petition, the giving of notice of a hearing on the appropriation of the proceeds of bonds, the right of taxpayers to appear and be heard on the proposed appropriation, the approval of the appropriation by the ~~state board of tax commissioners,~~ **department of local government finance,** the right of taxpayers to remonstrate against the issuance of bonds, and the sale of bonds at public sale.

SECTION 472. IC 36-5-2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) The legislative body may issue bonds for the purpose of procuring money to be used in the exercise of the powers of the town and for the payment of town debts. However, a town may not issue bonds to procure money to pay current expenses.

(b) Bonds issued under this section are payable in the amounts and at the times determined by the legislative body.

(c) Bonds issued under this section are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to the filing of a petition requesting the issuance of bonds and giving notice of the petition, the giving of notice of a hearing on the appropriation of the proceeds of bonds, the right of taxpayers to appear and be heard on the proposed appropriation, the approval of the appropriation by the ~~state board of tax commissioners,~~ **department of local government finance,** the right of taxpayers to remonstrate against the issuance of bonds, and the sale of bonds at public sale for not less than their par value.

(d) The legislative body may, by ordinance, make loans of money for not more than five (5) years and issue notes for the purpose of refunding those loans. The loans may be made only for the purpose of procuring money to be used in the exercise of the powers of the town, and the total amount of outstanding loans under this subsection may not exceed five percent (5%) of the town's total tax levy in the current year (excluding amounts levied to pay debt service and lease rentals). Loans under this subsection shall be made as follows:

(1) The ordinance authorizing the loans must pledge to their payment a sufficient amount of tax revenues over the ensuing five (5) years to provide for refunding the loans.

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(2) The loans must be evidenced by notes of the town in terms designating the nature of the consideration, the time and place payable, and the revenues out of which they will be payable.

(3) The interest accruing on the notes to the date of maturity may be added to and included in their face value or be made payable periodically, as provided in the ordinance.

Notes issued under this subsection are not bonded indebtedness for purposes of IC 6-1.1-18.5.

SECTION 473. IC 36-6-6-14.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14.5. (a) If the legislative body issues a special order under section 14 of this chapter authorizing the executive to borrow money, not less than ten (10) taxpayers in the township who disagree with the special order may file a petition in the office of the county auditor not more than thirty (30) days after notice of the special order is given. The petition must state the taxpayers' objections and the reasons why the taxpayers believe the special order to be unnecessary or unwise.

(b) The county auditor shall immediately certify a copy of the petition, together with other data necessary to present the questions involved, to the ~~state board of tax commissioners.~~ **department of local government finance.** Upon receipt of the certified petition and other data, the ~~state board of tax commissioners~~ **department of local government finance** shall fix a time and place for the hearing of the matter. The hearing shall be held not less than five (5) and not more than thirty (30) days after the receipt of the certified documents.

(c) The hearing shall be held in the county where the petition arose.

(d) Notice of the hearing shall be given by the ~~state board of tax commissioners~~ **department of local government finance** to the township and to the first ten (10) taxpayer petitioners listed on the petition by letter. The letter shall be sent to the first ten (10) taxpayer petitioners at the taxpayer's usual place of residence at least five (5) days before the date of the hearing. The decision by the ~~state board of tax commissioners~~ **department of local government finance** on the objections presented in the petition is final.

SECTION 474. IC 36-7-14-25.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25.1. (a) In addition to other methods of raising money for property acquisition or redevelopment in a blighted area, and in anticipation of the special tax to be levied under section 27 of this chapter, the taxes allocated under section 39 of this chapter, or other revenues of the district, or any combination of these sources, the redevelopment commission may, by resolution, issue the bonds of the special taxing district in the name of

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the unit. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

(1) the total cost of all land, rights-of-way, and other property to be acquired and redeveloped;

(2) all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds;

(3) capitalized interest permitted by this chapter and a debt service reserve for the bonds to the extent the redevelopment commission determines that a reserve is reasonably required; and

(4) expenses that the redevelopment commission is required or permitted to pay under IC 8-23-17.

(b) If the redevelopment commission plans to acquire different parcels of land or let different contracts for redevelopment work at approximately the same time, whether under one (1) or more resolutions, the commission may provide for the total cost in one (1) issue of bonds.

(c) The bonds must be dated as set forth in the bond resolution and negotiable, subject to the requirements of the bond resolution for registering the bonds. The resolution authorizing the bonds must state:

(1) the denominations of the bonds;

(2) the place or places at which the bonds are payable; and

(3) the term of the bonds, which may not exceed fifty (50) years.

The resolution may also state that the bonds are redeemable before maturity with or without a premium, as determined by the redevelopment commission.

(d) The redevelopment commission shall certify a copy of the resolution authorizing the bonds to the municipal or county fiscal officer, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(e) The bonds must be executed by the appropriate officer of the unit, and attested by the municipal or county fiscal officer.

(f) The bonds are exempt from taxation for all purposes.

(g) The municipal or county fiscal officer shall give notice of the sale of the bonds by publication in accordance with IC 5-3-1. The municipal fiscal officer, or county fiscal officer or executive, shall sell the bonds to the highest bidder, but may not sell them for less than ninety-seven percent (97%) of their par value. However, bonds payable

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solely or in part from tax proceeds allocated under section 39(b)(2) of this chapter, or other revenues of the district may be sold at a private negotiated sale.

(h) Except as provided in subsection (i), a redevelopment commission may not issue the bonds when the total issue, including bonds already issued and to be issued, exceeds two percent (2%) of the adjusted value of the taxable property in the special taxing district, as determined under IC 36-1-15.

(i) The bonds are not a corporate obligation of the unit but are an indebtedness of the taxing district. The bonds and interest are payable, as set forth in the bond resolution of the redevelopment commission:

(1) from a special tax levied upon all of the property in the taxing district, as provided by section 27 of this chapter;

(2) from the tax proceeds allocated under section 39(b)(2) of this chapter;

(3) from other revenues available to the redevelopment commission; or

(4) from a combination of the methods stated in subdivisions (1) through (3).

If the bonds are payable solely from the tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in any amount without limitation.

(j) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issuance.

(k) All laws relating to the giving of notice of the issuance of bonds, the giving of notice of a hearing on the appropriation of the proceeds of the bonds, the right of taxpayers to appear and be heard on the proposed appropriation, and the approval of the appropriation by the ~~state board of tax commissioners~~ **department of local government finance** apply to all bonds issued under this chapter that are payable from the special benefits tax levied pursuant to section 27 of this chapter or from taxes allocated under section 39 of this chapter.

(l) All laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers to remonstrate against the issuance of bonds apply to bonds issued under this chapter, except for bonds payable solely from tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources.

(m) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on

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the bonds as provided in the bond resolution.

(n) Any amount remaining in the debt service reserve after all of the bonds of the issue for which the debt service reserve was established have matured shall be deposited in the allocation fund established under section 39(b)(2) of this chapter.

(o) If bonds are issued under this chapter that are payable solely or in part from revenues to the redevelopment commission from a project or projects, the redevelopment commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects, but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the redevelopment commission. The redevelopment commission may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the redevelopment commission that are payable solely from revenues of the commission shall contain a statement to that effect in the form of bond.

SECTION 475. IC 36-7-14-25.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25.2. (a) A redevelopment commission may enter into a lease of any property that could be financed with the proceeds of bonds issued under this chapter with a lessor for a term not to exceed fifty (50) years, and the lease may provide for payments to be made by the redevelopment commission from special benefits taxes levied under section 27 of this chapter, taxes allocated under section 39 of this chapter, any other revenues available to the redevelopment commission, or any combination of these sources.

(b) A lease may provide that payments by the redevelopment commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the redevelopment commission only after a public hearing by the redevelopment commission at which all interested parties are provided the opportunity to be heard. After the public hearing, the redevelopment commission may adopt a resolution

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authorizing the execution of the lease on behalf of the unit if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the unit and is in the best interests of its residents. Any lease approved by a resolution of the redevelopment commission must be approved by an ordinance of the fiscal body of the unit.

(d) Upon execution of a lease providing for payments by the redevelopment commission in whole or in part from the levy of special benefits taxes under section 27 of this chapter and upon approval of the lease by the unit's fiscal body, the redevelopment commission shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the redevelopment district who will be affected by the lease and who may be of the opinion that no necessity exists for the execution of the lease or that the payments provided for in the lease are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and approval. The petition must set forth the petitioners' names, addresses, and objections to the lease and the facts showing that the execution of the lease is unnecessary or unwise or that the payments provided for in the lease are not fair and reasonable, as the case may be.

(e) Upon the filing of the petition, the county auditor shall immediately certify a copy of it, together with such other data as may be necessary in order to present the questions involved, to the ~~state board of tax commissioners.~~ **department of local government finance.** Upon receipt of the certified petition and information, the ~~state board of tax commissioners~~ **department of local government finance** shall fix a time and place for a hearing in the redevelopment district, which must be not less than five (5) or more than thirty (30) days after the time is fixed. Notice of the hearing shall be given by the ~~state board of tax commissioners~~ **department of local government finance** to the members of the fiscal body, to the redevelopment commission, and to the first fifty (50) petitioners on the petition by a letter signed by ~~one (1) member of the state board of tax commissioners~~ **the commissioner or deputy commissioner of the department** and enclosed with fully prepaid postage sent to those persons at their usual place of residence, at least five (5) days before the date of the hearing. The decision of the ~~state board of tax commissioners~~ **department of local government finance** on the appeal, upon the necessity for the execution of the lease, and as to whether the payments under it are fair and reasonable, is final.

(f) A redevelopment commission entering into a lease payable from

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allocated taxes under section 39 of this chapter or other available funds of the redevelopment commission may:

(1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; and

(2) establish a special fund to make the payments.

(g) Lease rentals may be limited to money in the special fund so that the obligations of the redevelopment commission to make the lease rental payments are not considered debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(h) Except as provided in this section, no approvals of any governmental body or agency are required before the redevelopment commission enters into a lease under this section.

(i) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the ~~state board of tax commissioners,~~ **department of local government finance,** an action to contest the validity or enjoin the performance must be brought within thirty (30) days after the decision of the ~~state board of tax commissioners.~~ **department.**

(j) If a redevelopment commission exercises an option to buy a leased facility from a lessor, the redevelopment commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the redevelopment commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the redevelopment commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days of the hearing.

SECTION 476. IC 36-7-14-27.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27.5. (a) The redevelopment commission may borrow money in anticipation of receipt of the proceeds of taxes levied for the redevelopment district bond fund and not yet collected, and may evidence this borrowing by issuing warrants of the redevelopment district. However, the aggregate principal amount of warrants issued in anticipation of and payable from the same tax levy or levies may not exceed an amount equal to eighty percent (80%) of that tax levy or levies, as certified by the ~~state board of tax commissioners,~~ **department of local government finance,** or as

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determined by multiplying the rate of tax as finally approved by the total assessed valuation (after deducting all mortgage deductions) within the redevelopment district, as most recently certified by the county auditor.

(b) The warrants may be authorized and issued at any time after the tax or taxes in anticipation of which they are issued have been levied by the redevelopment commission. For purposes of this section, taxes for any year are considered to be levied upon adoption by the commission of a resolution prescribing the tax levies for the year. However, the warrants may not be delivered and paid for before final approval of the tax levy or levies by the county board of tax adjustment or, if appealed, by the ~~state board of tax commissioners,~~ **department of local government finance,** unless the issuance of the warrants has been approved by the ~~state board of tax commissioners.~~ **department.**

(c) All action that this section requires or authorizes the redevelopment commission to take may be taken by resolution, which need not be published or posted. The resolution takes effect immediately upon its adoption by the redevelopment commission. An action to contest the validity of tax anticipation warrants may not be brought later than ten (10) days after the sale date.

(d) In their resolution authorizing the warrants, the redevelopment commission must provide that the warrants mature at a time or times not later than December 31 after the year in which the taxes in anticipation of which the warrants are issued are due and payable.

(e) In their resolution authorizing the warrants, the redevelopment commission may provide:

(1) the date of the warrants;
(2) the interest rate of the warrants;
(3) the time of interest payments on the warrants;
(4) the denomination of the warrants;
(5) the form either registered or payable to bearer, of the warrants;
(6) the place or places of payment of the warrants, either inside or outside the state;
(7) the medium of payment of the warrants;
(8) the terms of redemption, if any, of the warrants, at a price not exceeding par value and accrued interest;
(9) the manner of execution of the warrants; and
(10) that all costs incurred in connection with the issuance of the warrants may be paid from the proceeds of the warrants.

(f) The warrants shall be sold for not less than par value, after notice inviting bids has been published under IC 5-3-1. The redevelopment commission may also publish the notice in other newspapers or

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financial journals.

(g) Warrants and the interest on them are not subject to any limitation contained in section 25.1 of this chapter, and are payable solely from the proceeds of the tax levy or levies in anticipation of which the warrants were issued. The authorizing resolution must pledge a sufficient amount of the proceeds of the tax levy or levies to the payment of the warrants and the interest.

SECTION 477. IC 36-7-14-39 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a blighted area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the ~~state board of tax commissioners,~~ **department of local government finance,** as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a blighted area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the ~~state board of tax commissioners,~~ **department of local government finance,** as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

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(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a blighted area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded portion of the area added after June 30, 1995.

(6) If an allocation area established in a blighted area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded portion of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter before January 1, 2006, may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution before January 1, 2006, in accordance with the

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procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the blighted area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements in or serving that allocation area.

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(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) in or serving that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in or serving that allocation area under any lease entered into under IC 36-1-10.

(I) Pay all or a portion of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of twenty percent (20%) of each county's total county tax levy payable that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's property taxes levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in

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section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the ~~state board of tax commissioners.~~ **department of local government finance.**

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the commission.

(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1). The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

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(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 4-4-6.1, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the portion of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where

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reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that portion of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and ~~state board of tax commissioners~~ **department of local government finance** shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the ~~state board of tax commissioners~~ **department of local government finance** shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The ~~state board of tax commissioners~~ **department of local government finance** may prescribe procedures for county and township officials to follow to assist the ~~state board~~ **department** in making the adjustments.

SECTION 478. IC 36-7-14.5-12.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.5. (a) This section applies only to an authority in a county having a United States government military base that is scheduled for closing or is completely or partially inactive or closed.

(b) In order to accomplish the purposes set forth in section 11(b) of this chapter, an authority may create an economic development area:

(1) by following the procedures set forth in IC 36-7-14-41 for the establishment of an economic development area by a redevelopment commission; and

(2) with the same effect as if the economic development area was created by a redevelopment commission.

However, an authority may not include in an economic development area created under this section any area that was declared a blighted area, an urban renewal area, or an economic development area under IC 36-7-14.

(c) In order to accomplish the purposes set forth in section 11(b) of this chapter, an authority may do the following in a manner that serves an economic development area created under this section:

(1) Acquire by purchase, exchange, gift, grant, condemnation, or

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lease, or any combination of methods, any personal property or interest in real property needed for the redevelopment of economic development areas located within the corporate boundaries of the unit.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of property acquired for use in the redevelopment of economic development areas on the terms and conditions that the authority considers best for the unit and the unit's inhabitants.

(3) Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.

(4) Clear real property acquired for redevelopment purposes.

(5) Repair and maintain structures acquired for redevelopment purposes.

(6) Remodel, rebuild, enlarge, or make major structural improvements on structures acquired for redevelopment purposes.

(7) Survey or examine any land to determine whether the land should be included within an economic development area to be acquired for redevelopment purposes and to determine the value of that land.

(8) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:

(A) real property acquired or being acquired for redevelopment purposes; or

(B) any economic development area within the jurisdiction of the authority.

(9) Institute or defend in the name of the unit any civil action, but all actions against the authority must be brought in the circuit or superior court of the county where the authority is located.

(10) Use any legal or equitable remedy that is necessary or considered proper to protect and enforce the rights of and perform the duties of the authority.

(11) Exercise the power of eminent domain in the name of and within the corporate boundaries of the unit subject to the same conditions and procedures that apply to the exercise of the power of eminent domain by a redevelopment commission under IC 36-7-14.

(12) Appoint an executive director, appraisers, real estate experts,

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engineers, architects, surveyors, and attorneys.

(13) Appoint clerks, guards, laborers, and other employees the authority considers advisable, except that those appointments must be made in accordance with the merit system of the unit if such a system exists.

(14) Prescribe the duties and regulate the compensation of employees of the authority.

(15) Provide a pension and retirement system for employees of the authority by using the public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.

(16) Discharge and appoint successors to employees of the authority subject to subdivision (13).

(17) Rent offices for use of the department or authority, or accept the use of offices furnished by the unit.

(18) Equip the offices of the authority with the necessary furniture, furnishings, equipment, records, and supplies.

(19) Design, order, contract for, and construct, reconstruct, improve, or renovate the following:

(A) Any local public improvement or structure that is necessary for redevelopment purposes or economic development within the corporate boundaries of the unit.

(B) Any structure that enhances development or economic development.

(20) Contract for the construction, extension, or improvement of pedestrian skyways (as defined in IC 36-7-14-12.2(c)).

(21) Accept loans, grants, and other forms of financial assistance from, or contract with, the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(22) Make and enter into all contracts and agreements necessary or incidental to the performance of the duties of the authority and the execution of the powers of the authority under this chapter.

(23) Take any action necessary to implement the purpose of the authority.

(24) Provide financial assistance, in the manner that best serves the purposes set forth in section 11(b) of this chapter, including grants and loans, to enable private enterprise to develop, redevelop, and reuse military base property or otherwise enable private enterprise to provide social and economic benefits to the citizens of the unit.

(d) An authority may designate all or a portion of an economic

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development area created under this section as an allocation area by following the procedures set forth in IC 36-7-14-39 for the establishment of an allocation area by a redevelopment commission. The allocation provision may modify the definition of "property taxes" under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of designated taxpayers in accordance with the procedures applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3 applies to such a modification. An allocation area established by an authority under this section is a special taxing district authorized by the general assembly to enable the unit to provide special benefits to taxpayers in the allocation area by promoting economic development that is of public use and benefit. For allocation areas established for an economic development area created under this section after June 30, 1997, and to the expanded portion of an allocation area for an economic development area that was established before June 30, 1997, and that is expanded under this section after June 30, 1997, the net assessed value of property that is assessed as residential property under the rules of the ~~state board of tax commissioners,~~ **department of local government finance,** as finally determined for any assessment date, must be allocated. All of the provisions of IC 36-7-14-39, IC 36-7-14-39.1, and IC 36-7-14-39.5 apply to an allocation area created under this section, except that the authority shall be vested with the rights and duties of a commission as referenced in those sections, and except that, notwithstanding IC 36-7-14-39(b)(2), property tax proceeds paid into the allocation fund may be used by the authority only to do one (1) or more of the following:

(1) Pay the principal of and interest and redemption premium on any obligations incurred by the special taxing district or any other entity for the purpose of financing or refinancing military base reuse activities in or serving or benefitting that allocation area.

(2) Establish, augment, or restore the debt service reserve for obligations payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the authority (including lease rental revenues).

(3) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(4) Reimburse any other governmental body for expenditures made by it for local public improvements or structures in or serving or benefitting that allocation area.

(5) Pay all or a portion of a property tax replacement credit to taxpayers in an allocation area as determined by the authority.

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This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the twenty percent (20%) of each county's total county tax levy payable that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's property taxes levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under IC 36-7-14-39.5 in the same year.

(6) Pay expenses incurred by the authority for local public improvements or structures that are in the allocation area or serving or benefiting the allocation area.

(7) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(A) in the allocation area; and

(B) on a parcel of real property that has been classified as industrial property under the rules of the ~~state board of tax commissioners.~~ **department of local government finance.**

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in clause (B). The reimbursements under this subdivision must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made. The allocation fund may not be used for operating expenses of the authority.

(e) In addition to other methods of raising money for property acquisition, redevelopment, or economic development activities in or directly serving or benefitting an economic development area created

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by an authority under this section, and in anticipation of the taxes allocated under subsection (d), other revenues of the authority, or any combination of these sources, the authority may, by resolution, issue the bonds of the special taxing district in the name of the unit. Bonds issued under this section may be issued in any amount without limitation. The following apply if such a resolution is adopted:

(1) The authority shall certify a copy of the resolution authorizing the bonds to the municipal or county fiscal officer, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(2) The bonds must be executed by the appropriate officer of the unit and attested by the unit's fiscal officer.

(3) The bonds are exempt from taxation for all purposes.

(4) Bonds issued under this section may be sold at public sale in accordance with IC 5-1-11 or at a negotiated sale.

(5) The bonds are not a corporate obligation of the unit but are an indebtedness of the taxing district. The bonds and interest are payable, as set forth in the bond resolution of the authority:

(A) from the tax proceeds allocated under subsection (d);

(B) from other revenues available to the authority; or

(C) from a combination of the methods stated in clauses (A) and (B).

(6) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issuance.

(7) Laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers to remonstrate against the issuance of bonds do not apply to bonds issued under this section.

(8) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(9) If bonds are issued under this chapter that are payable solely or in part from revenues to the authority from a project or projects, the authority may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority. The authority may establish fees and charges for the use of any project and

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covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the authority that are payable solely from revenues of the authority shall contain a statement to that effect in the form of bond.

(f) Notwithstanding section 8(a) of this chapter, an ordinance adopted under section 11(b) of this chapter may provide, or be amended to provide, that the board of directors of the authority shall be composed of not fewer than three (3) nor more than seven (7) members, who must be residents of the unit appointed by the executive of the unit.

(g) The acquisition of real and personal property by an authority under this section is not subject to the provisions of IC 5-22, IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the purchase of property by public bodies or their agencies.

(h) An authority may negotiate for the sale, lease, or other disposition of real and personal property without complying with the provisions of IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other statute governing the disposition of public property.

(i) Notwithstanding any other law, utility services provided within an economic development area established under this section are subject to regulation by the appropriate regulatory agencies unless the utility service is provided by a utility that provides utility service solely within the geographic boundaries of an existing or a closed military installation, in which case the utility service is not subject to regulation for purposes of rate making, regulation, service delivery, or issuance of bonds or other forms of indebtedness. However, this exemption from regulation does not apply to utility service if the service is generated, treated, or produced outside the boundaries of the existing or closed military installation.

SECTION 479. IC 36-7-15.1-17.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17.1. (a) A commission may enter into a lease of any property that may be financed with the proceeds of bonds issued under this chapter with a lessor for a term not to exceed fifty (50) years. The lease may provide for payments to be made by the commission from special benefits taxes levied under section 19 of this chapter, taxes allocated under section 26 of this chapter, any other revenue available to the commission, or any combination of these sources.

(b) A lease may provide that payments by the commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the

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lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the commission only after a public hearing by the commission at which all interested parties are given the opportunity to be heard. Notice of the hearing must be given by publication in accordance with IC 5-3-1. After the public hearing, the commission may adopt a resolution authorizing the execution of the lease on behalf of the unit if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the unit and is in the best interests of its residents. Any lease approved by a resolution of the commission must be approved by an ordinance of the fiscal body of the unit.

(d) Upon execution of a lease providing for payments by the commission in whole or in part from the levy of special benefits taxes under section 19 of this chapter and upon approval of the lease by the fiscal body, the commission shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the district who will be affected by the lease and who may be of the opinion that no necessity exists for the execution of the lease or that the payments provided for in the lease are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and approval. The petition must set forth the petitioners' names, addresses, and objections to the lease and the facts showing that the execution of the lease is unnecessary or unwise or that the payments provided for in the lease are not fair and reasonable, as the case may be. Upon the filing of the petition, the county auditor shall immediately certify a copy of it, together with such other data as may be necessary in order to present the questions involved, to the ~~state board of tax commissioners.~~ **department of local government finance.** Upon receipt of the certified petition and information, the ~~state board of tax commissioners~~ **department of local government finance** shall fix a time and place for the hearing in the redevelopment district, which must be not less than five (5) or more than thirty (30) days after the time for the hearing is fixed. Notice of the hearing shall be given by the ~~state board of tax commissioners~~ **department of local government finance** to the members of the fiscal body, to the commission, and to the first fifty (50) petitioners on the petition by a letter signed by ~~one (1) member of the state board of tax commissioners~~ **the commissioner or deputy commissioner of the department** and enclosed with fully prepaid postage sent to those persons at their usual place of residence,

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at least five (5) days before the date of the hearing. The decision of the ~~state board of tax commissioners~~ **department of local government finance** on the appeal, upon the necessity for the execution of the lease and as to whether the payments under it are fair and reasonable, is final.

(e) A commission entering into a lease payable from allocated taxes under section 26 of this chapter or revenues or other available funds of the commission may:

(1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; and

(2) establish a special fund to make the payments.

Lease rentals may be limited to money in the special fund so that the obligations of the commission to make the lease rental payments are not considered a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(f) Except as provided in this section, no approvals of any governmental body or agency are required before the commission enters into a lease under this section.

(g) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the ~~state board of tax commissioners,~~ **department of local government finance,** an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the ~~state board of tax commissioners.~~ **department.**

(h) If a commission exercises an option to buy a leased facility from a lessor, the commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days after the hearing.

SECTION 480. IC 36-7-15.1-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a blighted area to which an allocation provision of a resolution adopted under section 8 of this

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chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the ~~state board of tax commissioners,~~ **department of local government finance,** as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a blighted area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the ~~state board of tax commissioners,~~ **department of local government finance,** as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a blighted area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally

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determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded portion of the area added after June 30, 1995.

(6) If an allocation area established in a blighted area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded portion of the area added after June 30, 1997.

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A resolution adopted under section 8 of this chapter before January 1, 2006, may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution before January 1, 2006, in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the blighted area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public

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body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements in that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) in that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in that allocation area under any lease entered into under IC 36-1-10.

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(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the ~~state board of tax commissioners.~~ **department of local government finance.**

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocated area will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Notify the county auditor of the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

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(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 4-4-6.1, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

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(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that portion of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and ~~state board of tax commissioners~~ **department of local government finance** shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the ~~state board of tax commissioners~~ **department of local government finance** shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The ~~state board of tax commissioners~~ **department of local government finance** may prescribe procedures for county and township officials to follow to assist the ~~state board~~ **department** in making the adjustments.

SECTION 481. IC 36-7-15.1-26.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26.5. (a) As used in this section, "adverse determination" means a determination by the fiscal officer of the consolidated city that the granting of credits described in subsection (g) or (h) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

(b) As used in this section, "allocation area" has the meaning set forth in section 26 of this chapter.

(c) As used in this section, "special fund" refers to the special fund into which property taxes are paid under section 26 of this chapter.

(d) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(e) Except as provided in subsections (g), (h), and (i), each taxpayer in an allocation area is entitled to an additional credit for property taxes that, under IC 6-1.1-22-9, are due and payable in May and November of that year. One-half (1/2) of the credit shall be applied to each

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installment of property taxes. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of twenty percent (20%) of each county's total county tax levy payable that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's property taxes levied in the taxing district that would have been allocated to an allocation fund under section 26 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the redevelopment district and paid into the special fund.

(f) The credit for property tax replacement under IC 6-1.1-21-5 and the additional credits under subsections (e), (g), (h), and (i), unless the credits under subsections (g) and (h) are partial credits, shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. Except as provided in subsections (h) and (i), the credit for property tax replacement under IC 6-1.1-21-5 and the additional credits under subsections (e), (g), (h), and (i) shall be combined on the tax statements sent to each taxpayer.

(g) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. A credit calculated using the method provided in subsection (e) may be granted under this subsection. The credit provided under this subsection is first applicable for the allocation area for property taxes first due and payable in 1992. The following apply to the determination of the credit provided under this subsection:

(1) Before June 15 of each year, the fiscal officer of the consolidated city shall determine and certify the following:

(A) All amounts due in the following year to the owners of outstanding bonds payable from the allocation area special fund.

(B) All amounts that are:

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(i) required under contracts with bond holders; and

(ii) payable from the allocation area special fund to fund accounts and reserves.

(C) An estimate of the amount of personal property taxes available to be paid into the allocation area special fund under section 26.9(c) of this chapter.

(D) An estimate of the aggregate amount of credits to be granted if full credits are granted.

(2) Before June 15 of each year, the fiscal officer of the consolidated city shall determine if the granting of the full amount of credits in the following year would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

(3) If the fiscal officer of the consolidated city determines under subdivision (2) that there would not be an impairment or adverse effect:

(A) the fiscal officer of the consolidated city shall certify the determination; and

(B) the full credits shall be applied in the following year, subject to the determinations and certifications made under section 26.7(b) of this chapter.

(4) If the fiscal officer of the consolidated city makes an adverse determination under subdivision (2), the fiscal officer of the consolidated city shall determine whether there is an amount of partial credits that, if granted in the following year, would not result in the impairment or adverse effect. If the fiscal officer determines that there is an amount of partial credits that would not result in the impairment or adverse effect, the fiscal officer shall do the following:

(A) Determine the amount of the partial credits.

(B) Certify that determination.

(5) If the fiscal officer of the consolidated city certifies under subdivision (4) that partial credits may be paid, the partial credits shall be applied pro rata among all affected taxpayers in the following year.

(6) An affected taxpayer may appeal any of the following to the circuit or superior court of the county in which the allocation area is located:

(A) A determination by the fiscal officer of the consolidated city that:

(i) credits may not be paid in the following year; or

(ii) only partial credits may be paid in the following year.

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(B) A failure by the fiscal officer of the consolidated city to make a determination by June 15 of whether full or partial credits are payable under this subsection.

(7) An appeal of a determination must be filed not later than thirty (30) days after the publication of the determination.

(8) An appeal of a failure by the fiscal officer of the consolidated city to make a determination of whether the credits are payable under this subsection must be filed by July 15 of the year in which the determination should have been made.

(9) All appeals under subdivision (6) shall be decided by the court within sixty (60) days.

(h) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. A credit calculated using the method in subsection (e) and in subdivision (2) of this subsection may be granted under this subsection. The following apply to the credit granted under this subsection:

(1) The credit is applicable to property taxes first due and payable in 1991.

(2) For purposes of this subsection, the amount of a credit for 1990 taxes payable in 1991 with respect to an affected taxpayer is equal to:

(A) the amount of the quotient determined under STEP TWO of subsection (e); multiplied by

(B) the total amount of the property taxes payable by the taxpayer that were allocated in 1991 to the allocation area special fund under section 26 of this chapter.

(3) Before June 15, 1991, the fiscal officer of the consolidated city shall determine and certify an estimate of the aggregate amount of credits for 1990 taxes payable in 1991 if the full credits are granted.

(4) The fiscal officer of the consolidated city shall determine whether the granting of the full amounts of the credits for 1990 taxes payable in 1991 against 1991 taxes payable in 1992 and the granting of credits under subsection (g) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund for an allocation area described in subsection (g).

(5) If the fiscal officer of the consolidated city determines that there would not be an impairment or adverse effect under subdivision (4):

(A) the fiscal officer shall certify that determination; and

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(B) the full credits shall be applied against 1991 taxes payable in 1992 or the amount of the credits shall be paid to the taxpayers as provided in subdivision (12), subject to the determinations and certifications made under section 26.7(b) of this chapter.

(6) If the fiscal officer of the consolidated city makes an adverse determination under subdivision (4), the fiscal officer shall determine whether there is an amount of partial credits for 1990 taxes payable in 1991 that, if granted against 1991 taxes payable in 1992 in addition to granting of the credits under subsection (g), would not result in the impairment or adverse effect.

(7) If the fiscal officer of the consolidated city determines under subdivision (6) that there is an amount of partial credits that would not result in the impairment or adverse effect, the fiscal officer shall determine the amount of partial credits and certify that determination.

(8) If the fiscal officer of the consolidated city certifies under subdivision (7) that partial credits may be paid, the partial credits shall be applied pro rata among all affected taxpayers against 1991 taxes payable in 1992.

(9) An affected taxpayer may appeal any of the following to the circuit or superior court of the county in which the allocation area is located:

(A) A determination by the fiscal officer of the consolidated city that:

(i) credits may not be paid for 1990 taxes payable in 1991; or

(ii) only partial credits may be paid for 1990 taxes payable in 1991.

(B) A failure by the fiscal officer of the consolidated city to make a determination by June 15, 1991, of whether credits are payable under this subsection.

(10) An appeal of a determination must be filed not later than thirty (30) days after the publication of the determination. Any such appeal shall be decided by the court within sixty (60) days.

(11) An appeal of a failure by the fiscal officer of the consolidated city to make a determination of whether credits are payable under this subsection must be filed by July 15, 1991. Any such appeal shall be decided by the court within sixty (60) days.

(12) If 1991 taxes payable in 1992 with respect to a parcel are billed to the same taxpayer to which 1990 taxes payable in 1991 were billed, the county treasurer shall apply to the tax bill for

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1991 taxes payable in 1992 both the credit provided under subsection (g) and the credit provided under this subsection, along with any credit determined to be applicable to the tax bill under subsection (i). In the alternative, at the election of the county auditor, the county may pay to the taxpayer the amount of the credit by May 10, 1992, and the amount shall be charged to the taxing units in which the allocation area is located in the proportion of the taxing units' respective tax rates for 1990 taxes payable in 1991.

(13) If 1991 taxes payable in 1992 with respect to a parcel are billed to a taxpayer other than the taxpayer to which 1990 taxes payable in 1991 were billed, the county treasurer shall do the following:

(A) Apply only the credits under subsections (g) and (i) to the tax bill for 1991 taxes payable in 1992.

(B) Give notice by June 30, 1991, by publication two (2) times in three (3) newspapers in the county with the largest circulation of the availability of a refund of the credit under this subsection.

A taxpayer entitled to a credit must file an application for refund of the credit with the county auditor not later than November 30, 1991.

(14) A taxpayer who files an application by November 30, 1991, is entitled to payment from the county treasurer in an amount that is in the same proportion to the credit provided under this subsection with respect to a parcel as the amount of 1990 taxes payable in 1991 paid by the taxpayer with respect to the parcel bears to the 1990 taxes payable in 1991 with respect to the parcel. This amount shall be paid to the taxpayer by May 10, 1992, and shall be charged to the taxing units in which the allocation area is located in the proportion of the taxing units' respective tax rates for 1990 taxes payable in 1991.

(i) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. The following apply to the credit granted under this subsection:

(1) A prior year credit is applicable to property taxes first due and payable in each year from 1987 through 1990 (the "prior years").

(2) The credit for each prior year is equal to:

(A) the amount of the quotient determined under STEP TWO of subsection (e) for the prior year; multiplied by

(B) the total amount of the property taxes paid by the taxpayer

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that were allocated in the prior year to the allocation area special fund under section 26 of this chapter.

(3) Before January 31, 1992, the county auditor shall determine the amount of credits under subdivision (2) with respect to each parcel in the allocation area for all prior years with respect to which:

(A) taxes were billed to the same taxpayer for taxes payable in each year from 1987 through 1991; or

(B) an application was filed by November 30, 1991, under subdivision (8) for refund of the credits for prior years.

A report of the determination by parcel shall be sent by the county auditor to the ~~state board of tax commissioners~~ **department of local government finance** and the budget agency within five (5) days of such determination.

(4) Before January 31, 1992, the county auditor shall determine the quotient of the amounts determined under subdivision (3) with respect to each parcel divided by six (6).

(5) Before January 31, 1992, the county auditor shall determine the quotient of the aggregate amounts determined under subdivision (3) with respect to all parcels divided by twelve (12).

(6) Except as provided in subdivisions (7) and (9), in each year in which credits from prior years remain unpaid, credits for the prior years in the amounts determined under subdivision (4) shall be applied as provided in this subsection.

(7) If taxes payable in the current year with respect to a parcel are billed to the same taxpayer to which taxes payable in all of the prior years were billed and if the amount determined under subdivision (3) with respect to the parcel is at least five hundred dollars ($500), the county treasurer shall apply the credits provided for the current year under subsections (g) and (h) and the credit in the amount determined under subdivision (4) to the tax bill for taxes payable in the current year. However, if the amount determined under subdivision (3) with respect to the parcel is less than five hundred dollars ($500) (referred to in this subdivision as "small claims"), the county may, at the election of the county auditor, either apply a credit in the amount determined under subdivision (3) or subdivision (4) to the tax bill for taxes payable in the current year or pay either amount to the taxpayer. If title to a parcel transfers in a year in which a credit under this subsection is applied to the tax bill, the transferor may file an application with the county auditor within thirty (30) days of the date of the transfer of title to the parcel for payments to the

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transferor at the same times and in the same amounts that would have been allowed as credits to the transferor under this subsection if there had not been a transfer. If a determination is made by the county auditor to refund or credit small claims in the amounts determined under subdivision (3) in 1992, the county auditor may make appropriate adjustments to the credits applied with respect to other parcels so that the total refunds and credits in any year will not exceed the payments made from the state property tax replacement fund to the prior year credit fund referred to in subdivision (11) in that year.

(8) If taxes payable in the current year with respect to a parcel are billed to a taxpayer that is not a taxpayer to which taxes payable in all of the prior years were billed, the county treasurer shall do the following:

(A) Apply only the credits under subsections (g) and (h) to the tax bill for taxes payable in the current year.

(B) Give notice by June 30, 1991, by publication two (2) times in three (3) newspapers in the county with the largest circulation of the availability of a refund of the credit.

A taxpayer entitled to the credit must file an application for refund of the credit with the county auditor not later than November 30, 1991. A refund shall be paid to an eligible applicant by May 10, 1992.

(9) A taxpayer who filed an application by November 30, 1991, is entitled to payment from the county treasurer under subdivision (8) in an amount that is in the same proportion to the credit determined under subdivision (3) with respect to a parcel as the amount of taxes payable in the prior years paid by the taxpayer with respect to the parcel bears to the taxes payable in the prior years with respect to the parcel.

(10) In each year on May 1 and November 1, the state shall pay to the county treasurer from the state property tax replacement fund the amount determined under subdivision (5).

(11) All payments received from the state under subdivision (10) shall be deposited into a special fund to be known as the prior year credit fund. The prior year credit fund shall be used to make:

(A) payments under subdivisions (7) and (9); and

(B) deposits into the special fund for the application of prior year credits.

(12) All amounts paid into the special fund for the allocation area under subdivision (11) are subject to any pledge of allocated property tax proceeds made by the redevelopment district under

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section 26(d) of this chapter, including but not limited to any pledge made to owners of outstanding bonds of the redevelopment district of allocated taxes from that area.

(13) By January 15, 1993, and by January 15 of each year thereafter, the county auditor shall send to the ~~state board of tax commissioners~~ **department of local government finance** and the budget agency a report of the receipts, earnings, and disbursements of the prior year credit fund for the prior calendar year. If in the final year that credits under subsection (i) are allowed any balance remains in the prior year credit fund after the payment of all credits payable under this subsection, such balance shall be repaid to the treasurer of state for deposit in the property tax replacement fund.

(14) In each year, the county shall limit the total of all refunds and credits provided for in this subsection to the total amount paid in that year from the property tax replacement fund into the prior year credit fund and any balance remaining from the preceding year in the prior year credit fund.

SECTION 482. IC 36-7-15.1-26.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26.7. (a) The definitions set forth in section 26.5 of this chapter apply to this section.

(b) Between November 15 and December 1 of each year following 1990, the fiscal officer of the consolidated city shall confirm the determinations and certifications required under section 26.5(g) and 26.5(h) of this chapter for the year. The determinations and certifications made for a year under this subsection govern the application of credits in the following year.

(c) An affected taxpayer may appeal any of the following in the circuit or superior court of the county in which the allocation area is located:

(1) A determination by the fiscal officer of the consolidated city under subsection (b) that:

(A) credits may not be paid in the following year; or

(B) only partial credits may be paid in the following year.

(2) A failure by the fiscal officer of the consolidated city to make, within the time required under subsection (b), a determination of whether credits are payable.

(d) An appeal under subsection (c) of a determination must be made not later than thirty (30) days after the date of publication of the determination. An appeal under subsection (c) of a failure by the fiscal officer of the consolidated city to make a determination of whether the credits are payable must be filed not later than December 31 of the year

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in which the determination should have been made under subsection (b). Any appeal under subsection (c) shall be decided by the court within sixty (60) days.

(e) All certifications made under this section or under section 26.5 of this chapter shall be made to the commission, county auditor, county treasurer, ~~state board of tax commissioners,~~ **department of local government finance,** and the budget agency.

SECTION 483. IC 36-7-15.1-26.9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26.9. (a) The definitions set forth in section 26.5 of this chapter apply to this section.

(b) The fiscal officer of the consolidated city shall publish in the newspaper in the county with the largest circulation all determinations made under section 26.5 or 26.7 of this chapter that result in the allowance or disallowance of credits. The publication of a determination made under section 26.5 of this chapter shall be made not later than June 20 of the year in which the determination is made. The publication of a determination made under section 26.7 of this chapter shall be made not later than December 5 of the year in which the determination is made.

(c) If credits are granted under section 26.5(g) or 26.5(h) of this chapter, whether in whole or in part, property taxes on personal property (as defined in IC 6-1.1-1-11) that are equal to the aggregate amounts of the credits for all taxpayers in the allocation area under section 26.5(g) and 26.5(h) of this chapter shall be:

(1) allocated to the redevelopment district;

(2) paid into the special fund for that allocation area; and

(3) used for the purposes specified in section 26 of this chapter.

(d) The county auditor shall adjust the estimate of assessed valuation that the auditor certifies under IC 6-1.1-17-1 for all taxing units in which the allocation area is located. The county auditor may amend this adjustment at any time before the earliest date a taxing unit must publish the unit's proposed property tax rate under IC 6-1.1-17-3 in the year preceding the year in which the credits under section 26.5(g) or 26.5(h) of this chapter are paid. The auditor's adjustment to the assessed valuation shall be:

(1) calculated to produce an estimated assessed valuation that will offset the effect that paying personal property taxes into the allocation area special fund under subsection (c) would otherwise have on the ability of a taxing unit to achieve the taxing unit's tax levy in the following year; and

(2) used by the county board of tax adjustment, the ~~state board of tax commissioners,~~ **department of local government finance,**

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and each taxing unit in determining each taxing unit's tax rate and tax levy in the following year.

(e) The amount by which a taxing unit's levy is adjusted as a result of the county auditor's adjustment of assessed valuation under subsection (d), and the amount of the levy that is used to make direct payments to taxpayers under section 26.5(h) of this chapter, is not part of the total county tax levy under IC 6-1.1-21-2(g) and is not subject to IC 6-1.1-20.

(f) The ad valorem property tax levy limits imposed by IC 6-1.1-18.5-3 and IC 6-1.1-19-1.5 do not apply to ad valorem property taxes imposed that are used to offset the effect of paying personal property taxes into an allocation area special fund during the taxable year under subsection (d) or to make direct payments to taxpayers under section 26.5(h) of this chapter. For purposes of computing the ad valorem property tax levy limits imposed under IC 6-1.1-18.5-3 and IC 6-1.1-19-1.5, a taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed to offset the effect of paying personal property taxes into an allocation area special fund under subsection (d) or to make direct payments to taxpayers under section 26.5(h) of this chapter.

(g) Property taxes on personal property that are deposited in the allocation area special fund:

(1) are subject to any pledge of allocated property tax proceeds made by the redevelopment district under section 26(d) of this chapter, including but not limited to any pledge made to owners of outstanding bonds of the redevelopment district of allocated taxes from that area; and

(2) may not be treated as property taxes used to pay interest or principal due on debt under IC 6-1.1-21-2(g)(1)(D).

SECTION 484. IC 36-7-15.1-46, AS ADDED BY P.L.102-1999, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 46. (a) A commission may enter into a lease of any property that may be financed with the proceeds of bonds issued under section 45 of this chapter with a lessor for a term not to exceed fifty (50) years. The lease may provide for payments to be made by the commission from special benefits taxes levied under section 50 of this chapter, taxes allocated under section 53 of this chapter, any other revenue available to the commission, or any combination of these sources.

(b) A lease may provide that payments by the commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the

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lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the commission only after a public hearing by the commission at which all interested parties are given the opportunity to be heard. Notice of the hearing must be given by publication in accordance with IC 5-3-1. After the public hearing, the commission may adopt a resolution authorizing the execution of the lease on behalf of the unit if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the unit and is in the best interests of its residents. Any lease approved by a resolution of the commission must be approved by an ordinance of the fiscal body of the excluded city.

(d) Upon execution of a lease providing for payments by the commission in whole or in part from the levy of special benefits taxes under section 50 of this chapter and upon approval of the lease by the fiscal body, the commission shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the district who will be affected by the lease and who may be of the opinion that no necessity exists for the execution of the lease or that the payments provided for in the lease are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and approval. The petition must set forth the petitioners' names, addresses, and objections to the lease and the facts showing that the execution of the lease is unnecessary or unwise or that the payments provided for in the lease are not fair and reasonable, as the case may be. Upon the filing of the petition, the county auditor shall immediately certify a copy of the petition, together with such other data as may be necessary in order to present the questions involved, to the ~~state board of tax commissioners.~~ **department of local government finance.** Upon receipt of the certified petition and information, the ~~state board of tax commissioners~~ **department of local government finance** shall fix a time and place for the hearing in the redevelopment district, which must not be less than five (5) or more than thirty (30) days after the time for the hearing is fixed. Notice of the hearing shall be given by the ~~state board of tax commissioners~~ **department of local government finance** to the members of the fiscal body, to the commission, and to the first fifty (50) petitioners on the petition by a letter signed by ~~one (1) member of the state board of tax commissioners~~ **the commissioner or deputy commissioner of the department** and enclosed with fully prepaid postage sent to those persons at their usual place of residence,

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at least five (5) days before the date of the hearing. The decision of the ~~state board of tax commissioners~~ **department of local government finance** on the appeal, upon the necessity for the execution of the lease and as to whether the payments under it are fair and reasonable, is final.

(e) A commission entering into a lease payable from allocated taxes under section 53 of this chapter or revenues or other available funds of the commission may:

(1) pledge the revenue to make payments under the lease as provided in IC 5-1-14-4; and

(2) establish a special fund to make the payments.

Lease rentals may be limited to money in the special fund so that the obligations of the commission to make the lease rental payments are not considered a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(f) Except as provided in this section, no approvals of any governmental body or agency are required before the commission enters into a lease under this section.

(g) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the ~~state board of tax commissioners,~~ **department of local government finance,** an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the ~~state board of tax commissioners.~~ **department of local government finance.**

(h) If a commission exercises an option to buy a leased facility from a lessor, the commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days after the hearing.

SECTION 485. IC 36-7-15.1-53, AS ADDED BY P.L.102-1999, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 53. (a) As used in this section:

"Allocation area" means that part of a blighted area to which an allocation provision of a resolution adopted under section 40 of this

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chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means:

(1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the ~~state board of tax commissioners,~~ **department of local government finance,** as finally determined for any assessment date after the effective date of the allocation provision.

Except as provided in section 55 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A resolution adopted under section 40 of this chapter before January 1, 2006, may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution before January 1, 2006, in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision must be approved by resolution of the legislative body of the excluded city and must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the blighted area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

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shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.

(D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements in that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.

(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) in that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the ~~state board of tax commissioners.~~ **department of local government finance.**

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the

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allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Notify the county auditor of the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the

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lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 4-4-6.1, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and ~~state board of tax~~

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~~commissioners~~ **department of local government finance** shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the ~~state board of tax commissioners~~ **department of local government finance** shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The ~~state board of tax commissioners~~ **department of local government finance** may prescribe procedures for county and township officials to follow to assist the ~~state board~~ **department** in making the adjustments.

SECTION 486. IC 36-7-29-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) District bonds may be issued by a board under this chapter without following any procedures set forth in any other statute except that the board must:

(1) adopt a bond resolution after a public hearing following public notice of the hearing published in accordance with IC 5-3-1;

(2) publish notice of the determination to issue district bonds in accordance with IC 6-1.1-20-5;

(3) obtain the approval for the appropriation of the proceeds of the district bonds as set forth in IC 6-1.1-18-5 if the appropriation is an additional appropriation; and

(4) obtain the approval of the ~~state board of tax commissioners~~ **department of local government finance** for a tax levy under IC 6-1.1-18.5-8.

(b) The bond resolution must contain a finding that substance removal or remedial action at the qualified site will be of public utility and benefit because the conditions at the qualified site are detrimental to the social and economic interests of the district.

SECTION 487. IC 36-7-30-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base reuse area to which an allocation provision of a declaratory resolution adopted under section 10 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

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(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment thereto, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the ~~state board of tax commissioners,~~ **department of local government finance,** as finally determined for any assessment date after the effective date of the allocation provision.

Clause (C) applies only to allocation areas established in a military reuse area after June 30, 1997, and to the portion of an allocation area that was established before June 30, 1997, and that is added to an existing allocation area after June 30, 1997.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 10 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 13 of this chapter. The allocation provision may apply to all or part of the military base reuse area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

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(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the military base reuse district and, when collected, paid into an allocation fund for that allocation area that may be used by the military base reuse district and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the military base reuse district or any other entity for the purpose of financing or refinancing military base reuse activities in or directly serving or benefiting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the reuse authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the reuse authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of the twenty percent (20%) of each county's total county tax levy payable that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's property taxes levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to

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receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 27 of this chapter in the same year.

(F) Pay expenses incurred by the reuse authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the ~~state board of tax commissioners.~~ **department of local government finance.**

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the reuse authority.

(3) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under IC 6-1.1-21.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the

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allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the reuse authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 4-4-6.1, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the

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recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that portion of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the ~~state board of tax commissioners~~ **department of local government finance** shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base reuse district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The ~~state board of tax commissioners~~ **department of local government finance** may prescribe procedures for county and township officials to follow to assist the ~~state board~~ **department** in making the adjustments.

SECTION 488. IC 36-8-6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) If the local board determines that the total amount of money available for a year will be insufficient to pay the benefits, pensions, and retirement allowances the local board is obligated to pay under this chapter, the local board shall, before the date on which the budget of the municipality is adopted, prepare an itemized estimate in the form prescribed by the state board of accounts of the amount of money that will be receipted into and disbursed from the 1925 fund during the next fiscal year. The estimated receipts consist of the items enumerated in section 4(a) of this chapter. The estimated disbursements consist of an estimate of the amount of money that will be needed by the local board during the next fiscal year to defray the expenses and obligations incurred and that will be incurred by the local board in making the payments prescribed by this chapter to retired members, to members who are eligible to and expect to retire during the ensuing fiscal year, and to the dependents of deceased members.

(b) The local board may provide in its annual budget and pay all necessary expenses of operating the 1925 fund, including the payment of all costs of litigation and attorney fees arising in connection with the

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fund, as well as the payment of benefits and pensions. Notwithstanding any other law, neither the municipal legislative body, the county board of tax adjustment, nor the ~~state board of tax commissioners~~ **department of local government finance** may reduce an item of expenditure.

(c) At the time when the estimates are prepared and submitted, the local board shall also prepare and submit a certified statement showing:

(1) the name, age, and date of retirement of each retired member and the monthly and yearly amount of the payment to which the retired member is entitled;

(2) the name and age of each member who is eligible to and expects to retire during the next fiscal year, the date on which the member expects to retire, and the monthly and yearly amount of the payment that the member will be entitled to receive; and

(3) the name and age of each dependent, the date on which the dependent became a dependent, the date on which the dependent will cease to be a dependent by reason of ~~his~~ attaining the age at which dependents cease to be dependents, and the monthly and yearly amount of the payment to which the dependent is entitled.

(d) The total receipts shall be deducted from the total expenditures stated in the itemized estimate and the amount of the excess of the estimated expenditures over the estimated receipts shall be paid by the municipality in the same manner as other expenses of the municipality are paid. A tax levy shall be made annually for this purpose, as provided in subsection (e). The estimates submitted shall be prepared and filed in the same manner and form and at the same time that estimates of other municipal offices and departments are prepared and filed.

(e) The municipal legislative body shall levy an annual tax in the amount and at the rate that are necessary to produce the revenue to pay that part of the police pensions that the municipality is obligated to pay. All money derived from the levy is for the exclusive use of the police pensions and benefits. The amounts in the estimated disbursements, if found to be correct and in conformity with the data submitted in the certified statement, are a binding obligation upon the municipality. The legislative body shall make a levy for them that will yield an amount equal to the estimated disbursements, less the amount of the estimated receipts. Notwithstanding any other law, neither the county board of tax adjustment nor the ~~state board of tax commissioners~~ **department of local government finance** may reduce the levy.

SECTION 489. IC 36-8-7-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) The local

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board shall meet annually and prepare an itemized estimate, in the form prescribed by the state board of accounts, of the amount of money that will be receipted into and disbursed from the 1937 fund during the next fiscal year. The estimated receipts consist of the items enumerated in section 8 of this chapter. The estimated disbursements must be divided into two (2) parts, designated as part 1 and part 2.

(b) Part 1 of the estimated disbursements consists of an estimate of the amount of money that will be needed by the local board during the next fiscal year to defray the expenses and obligations incurred and that will be incurred by the local board in making the payments prescribed by this chapter to retired members, to members who are eligible to and expect to retire during the next fiscal year, and to the dependents of deceased members. Part 2 of the estimated disbursements consists of an estimate of the amount of money that will be needed to pay death benefits and other expenditures that are authorized or required by this chapter.

(c) At the time when the estimates are prepared and submitted, the local board shall also prepare and submit a certified statement showing the following:

(1) The name, age, and date of retirement of each retired member and the monthly and yearly amount of the payment to which the retired member is entitled.

(2) The name and age of each member who is eligible to and expects to retire during the next fiscal year, the date on which the member expects to retire, and the monthly and yearly amount of the payment that the member will be entitled to receive.

(3) The name and the age of each dependent, the date on which the dependent became a dependent, the date on which the dependent will cease to be a dependent by reason of attaining the age at which dependents cease to be dependents, and the monthly and yearly amount of the payment to which the dependent is entitled.

(4) The amount that would be required for the next fiscal year to maintain level cost funding during the active fund members' employment on an actuarial basis.

(5) The amount that would be required for the next fiscal year to amortize accrued liability for active members, retired members, and dependents over a period determined by the local board, but not to exceed forty (40) years.

(d) The total receipts shall be deducted from the total expenditures as listed in the itemized estimate. The amount of the excess of the estimated expenditures over the estimated receipts shall be paid by the

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unit in the same manner as other expenses of the unit are paid, and an appropriation shall be made annually for that purpose. The estimates submitted shall be prepared and filed in the same manner and form and at the same time that estimates of other offices and departments of the unit are prepared and filed.

(e) The estimates shall be made a part of the annual budget of the unit. When revising the estimates, the executive, the fiscal officer, and other fiduciary officers may not reduce the items in part 1 of the estimated disbursements.

(f) The unit's fiscal body shall make the appropriations necessary to pay that proportion of the budget of the 1937 fund that the unit is obligated to pay under subsection (d). In addition, the fiscal body may make appropriations for purposes of subsection (c)(4), (c)(5), or both. All appropriations shall be made to the local board for the exclusive use of the 1937 fund. The amounts listed in part 1 of the estimated disbursements, if found to be correct and in conformity with the data submitted in the certified statement, are a binding obligation upon the unit. Notwithstanding any other law, neither the county board of tax adjustment nor the ~~state board of tax commissioners~~ **department of local government finance** may reduce the appropriations made to pay the amount equal to estimated disbursements minus estimated receipts.

SECTION 490. IC 36-8-7-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. The 1937 fund may not be, either before or after an order for distribution to members of the fire department or to the surviving spouses or guardians of a child or children of a deceased, disabled, or retired member, held, seized, taken, subjected to, detained, or levied on by virtue of an attachment, execution, judgment, writ, interlocutory or other order, decree, or process, or proceedings of any nature issued out of or by a court in any state for the payment or satisfaction, in whole or in part, of a debt, damages, demand, claim, judgment, fine, or amercement of the member or ~~his~~ **the member's** surviving spouse or children. The 1937 fund shall be kept and distributed only for the purpose of pensioning the persons named in this chapter. The local board may, however, annually expend an amount from the 1937 fund that it considers proper for the necessary expenses connected with the fund. Notwithstanding any other law, neither the fiscal body, the county board of tax adjustment, nor the ~~state board of tax commissioners~~ **department of local government finance** may reduce these expenditures.

SECTION 491. IC 36-8-7.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) If the local board determines that the total amount of money available for a year

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will be insufficient to pay the benefits, pensions, and retirement allowances the local board is obligated to pay under this chapter, the local board shall, before the date on which the budget of the police special service district is adopted, prepare an itemized estimate in the form prescribed by the state board of accounts of the amount of money that will be receipted into and disbursed from the 1953 fund during the next fiscal year. The estimated receipts consist of the items enumerated in section 8 of this chapter. The estimated disbursements consist of an estimate of the amount of money that will be needed by the local board during the next fiscal year to defray the expenses and obligations incurred and that will be incurred by the local board in making the payments prescribed by this chapter to retired members, to members who are eligible and expect to retire during the ensuing fiscal year, and to the dependents of deceased members.

(b) At the time when the estimates are prepared and submitted, the local board shall also prepare and submit a certified statement showing:

(1) the estimated number of beneficiaries from the 1953 fund during the ensuing fiscal year in each of the various classifications of beneficiaries as prescribed in this chapter, and the names and amount of benefits being paid to those actively on the list of beneficiaries at that time;

(2) the name, age, and length of service of each member of the police department who is eligible to and expects to retire during the ensuing fiscal year, and the monthly and yearly amounts of the payment that the member will be entitled to receive;

(3) the name and age of each dependent of a member of the police department who is then receiving benefits, the date on which the dependent commenced drawing benefits, and the date on which the dependent will cease to be a dependent by reason of ~~his~~ attaining the age limit prescribed by this chapter, and the monthly and yearly amounts of the payments to which each of the dependents is entitled.

(c) After the amounts of receipts and disbursements shown in the itemized estimate are fixed and approved by the executive, fiscal officer, legislative body and other bodies, as provided by law for other municipal funds, the total receipts shall be deducted from the total expenditures stated in the itemized estimate, and the amount of the excess shall be paid by the police special service district in the same manner as other expenses of the district are paid. The legislative body shall levy a tax and the money derived from the levy shall, when collected, be credited exclusively to the 1953 fund. The tax shall be levied in the amount and at the rate that is necessary to produce

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sufficient revenue to equal the deficit. Notwithstanding any other law, neither the county board of tax adjustment nor the ~~state board of tax commissioners~~ **department of local government finance** may reduce the tax levy.

SECTION 492. IC 36-8-11-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) The board shall annually budget the necessary money to meet the expenses of operation and maintenance of the district, including repairs, fees, salaries, depreciation on all depreciable assets, rents, supplies, contingencies, bond redemption, and all other expenses lawfully incurred by the district. After estimating expenses and receipts of money, the board shall establish the tax levy required to fund the estimated budget.

(b) The budget must be approved by the fiscal body of the county, the county board of tax adjustment, and the ~~state board of tax commissioners.~~ **department of local government finance.**

(c) Upon approval by the ~~state board of tax commissioners,~~ **department of local government finance,** the board shall certify the approved tax levy to the auditor of the county having land within the district. The auditor shall have the levy entered on the county treasurer's tax records for collection. After collection of the taxes the auditor shall issue ~~his~~ **a** warrant on the treasurer to transfer the revenues collected to the board, as provided by statute.

SECTION 493. IC 36-8-11-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. The ~~state board of tax commissioners,~~ **department of local government finance,** when approving a rate and levy fixed by the board, shall verify that a duplication of tax levies does not exist between a fire protection district and a municipality or township within the boundaries of the district, so that taxpayers do not bear two (2) levies for the same service, except as provided by section 20 of this chapter.

SECTION 494. IC 36-8-11-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. After a sufficient appropriation for the purchase of firefighting apparatus and equipment, including housing, is made and is available, the district's fiscal officer, with the approval of the board and the county fiscal body, may purchase the firefighting apparatus and equipment for the district on an installment conditional sale or mortgage contract running for a period not exceeding:

(1) six (6) years; or

(2) fifteen (15) years for a district that:

(A) has a total assessed value of twenty million dollars

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($20,000,000) or less, as determined by the ~~state board of tax commissioners;~~ **department of local government finance;** and

(B) is purchasing the firefighting equipment with funding from the:

(i) state or its instrumentalities; or

(ii) federal government or its instrumentalities.

The purchase shall be amortized in equal or approximately equal installments payable on January 1 and July 1 each year.

SECTION 495. IC 36-8-13-3, AS AMENDED BY P.L.1-1999, SECTION 101, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The executive of a township, with the approval of the legislative body, may do the following:

(1) Purchase firefighting and emergency services apparatus and equipment for the township, provide for the housing, care, maintenance, operation, and use of the apparatus and equipment to provide services within the township but outside the corporate boundaries of municipalities, and employ full-time or part-time personnel to operate the apparatus and equipment and to provide services in that area.

(2) Contract with a municipality in the township or in a contiguous township that maintains adequate firefighting or emergency services apparatus and equipment to provide fire protection or emergency services for the township in accordance with IC 36-1-7.

(3) Cooperate with a municipality in the township or in a contiguous township in the purchase, maintenance, and upkeep of firefighting or emergency services apparatus and equipment for use in the municipality and township in accordance with IC 36-1-7.

(4) Contract with a volunteer fire department that has been organized to fight fires in the township for the use and operation of firefighting apparatus and equipment that has been purchased by the township in order to save the private and public property of the township from destruction by fire, including use of the apparatus and equipment in an adjoining township by the department if the department has made a contract with the executive of the adjoining township for the furnishing of firefighting service within the township.

(5) Contract with a volunteer fire department that maintains adequate firefighting service in accordance with IC 36-8-12.

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(b) This subsection applies only to townships that provide fire protection or emergency services or both under subsection (a)(1) and to municipalities that have all municipal territory completely within a township and do not have a full-time paid fire department. A township may provide fire protection or emergency services or both without contracts inside the corporate boundaries of the municipalities if before July 1 of a year the following occur:

(1) The legislative body of the municipality adopts an ordinance to have the township provide the services without a contract.

(2) The township legislative body passes a resolution approving the township's provision of the services without contracts to the municipality.

In a township providing services to a municipality under this section, the legislative body of either the township or a municipality in the township may opt out of participation under this subsection by adopting an ordinance or a resolution, respectively, before July 1 of a year.

(c) This subsection applies only to a township that:

(1) is located in a county containing a consolidated city;

(2) has at least three (3) included towns (as defined in IC 36-3-1-7) that have all municipal territory completely within the township on January 1, 1996; and

(3) provides fire protection or emergency services, or both, under subsection (a)(1);

and to included towns (as defined in IC 36-3-1-7) that have all the included town's municipal territory completely within the township. A township may provide fire protection or emergency services, or both, without contracts inside the corporate boundaries of the municipalities if before August 1 of the year preceding the first calendar year to which this subsection applies the township legislative body passes a resolution approving the township's provision of the services without contracts to the municipality. The resolution must identify the included towns to which the resolution applies. In a township providing services to a municipality under this section, the legislative body of the township may opt out of participation under this subsection by adopting a resolution before July 1 of a year. A copy of a resolution adopted under this subsection shall be submitted to the executive of each included town covered by the resolution, the county auditor, and the ~~state board of tax commissioners.~~ **department of local government finance.**

SECTION 496. IC 36-8-13-4.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.6. (a) For townships and municipalities that elect to have the township provide

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fire protection and emergency services under section 3(b) of this chapter, the ~~state board of tax commissioners~~ **department of local government finance** shall adjust each township's and each municipality's maximum permissible levy in the year following the year in which the change is elected, as determined under IC 6-1.1-18.5-3, to reflect the change from providing fire protection under a contract between the municipality and the township to allowing the township to impose a property tax levy on the taxable property located within the corporate boundaries of each municipality. Each municipality's maximum permissible property tax levy shall be reduced by the amount of the municipality's property tax levy that was imposed by the municipality to meet the obligations to the township under the fire protection contract. The township's maximum permissible property tax levy shall be increased by the product of:

(1) one and five-hundredths (1.05); multiplied by

(2) the amount the township received:

(A) in the year in which the change is elected; and

(B) as fire protection contract payments from all municipalities whose levy is decreased under this section.

(b) For purposes of determining a township's or municipality's maximum permissible ad valorem property tax levy under IC 6-1.1-18.5-3 for years following the first year after the year in which the change is elected, a township's or municipality's maximum permissible ad valorem property tax levy is the levy after the adjustment made under subsection (a).

SECTION 497. IC 36-8-13-4.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.7. (a) For a township that elects to have the township provide fire protection and emergency services under section 3(c) of this chapter, the ~~state board of tax commissioners~~ **department of local government finance** shall adjust the township's maximum permissible levy in the year following the year in which the change is elected, as determined under IC 6-1.1-18.5-3, to reflect the change from providing fire protection or emergency services under a contract between the municipality and the township to allowing the township to impose a property tax levy on the taxable property located within the corporate boundaries of each municipality. For the ensuing calendar year, the township's maximum permissible property tax levy shall be increased by the product of:

(1) one and five-hundredths (1.05); multiplied by

(2) the amount the township contracted or billed to receive, regardless of whether the amount was collected:

(A) in the year in which the change is elected; and

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(B) as fire protection or emergency service payments from the municipalities or residents of the municipalities covered by the election under section 3(c) of this chapter.

The maximum permissible levy for a general fund or other fund of a municipality covered by the election under section 3(c) of this chapter shall be reduced for the ensuing calendar year to reflect the change to allowing the township to impose a property tax levy on the taxable property located within the corporate boundaries of the municipality. The total reduction in the maximum permissible levies for all electing municipalities must equal the amount that the maximum permissible levy for the township is increased under this subsection for contracts or billings, regardless of whether the amount was collected, less the amount actually paid from sources other than property tax revenue.

(b) For purposes of determining a township's and each municipality's maximum permissible ad valorem property tax levy under IC 6-1.1-18.5-3 for years following the first year after the year in which the change is elected, a township's and each municipality's maximum permissible ad valorem property tax levy is the levy after the adjustment made under subsection (a).

(c) The township may use the amount of a maximum permissible property tax levy computed under this section in setting budgets and property tax levies for any year in which the election in section 3(c) of this chapter is in effect. A county board of tax adjustment may not reduce a budget or tax levy solely because the budget or levy is based on the maximum permissible property tax levy computed under this section.

(d) Section 4.6 of this chapter does not apply to a property tax levy or a maximum property tax levy subject to this section.

SECTION 498. IC 36-8-13-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. After a sufficient appropriation has been made and approved and is available for the purchase of firefighting apparatus and equipment, including housing, the township executive, with the approval of the township legislative body, may purchase it for the township on an installment conditional sale or mortgage contract running for a period not exceeding:

(1) six (6) years; or

(2) fifteen (15) years for a township that:

(A) has a total assessed value of twenty million dollars ($20,000,000) or less, as determined by the ~~state board of tax commissioners;~~ **department of local government finance;** and

(B) is purchasing the firefighting equipment with funding from

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the:

(i) state or its instrumentalities; or

(ii) federal government or its instrumentalities.

The purchase shall be amortized in equal or approximately equal installments payable on January 1 and July 1 each year.

SECTION 499. IC 36-8-13-6.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.5. (a) If the executive and the legislative body determine that money should be borrowed under section 6 of this chapter, not less than ten (10) taxpayers in the township who disagree with the determination may file a petition in the office of the county auditor not more than thirty (30) days after notice of the determination is given. The petition must state the taxpayers' objections and the reasons why the taxpayers believe the borrowing to be unnecessary or unwise.

(b) The county auditor shall immediately certify a copy of the petition, together with other data necessary to present the questions involved, to the ~~state board of tax commissioners.~~ **department of local government finance.** Upon receipt of the certified petition and other data, the ~~state board of tax commissioners~~ **department of local government finance** shall fix a time and place for the hearing of the matter. The hearing shall be held not less than five (5) and not more than thirty (30) days after the receipt of the certified documents.

(c) The hearing shall be held in the county where the petition arose.

(d) Notice of the hearing shall be given by the ~~state board of tax commissioners~~ **department of local government finance** to the township and to the first ten (10) taxpayer petitioners listed on the petition by letter. The letter shall be sent to the first ten (10) taxpayer petitioners at the taxpayer's usual place of residence at least five (5) days before the date of the hearing. The decision by the ~~state board of tax commissioners~~ **department of local government finance** on the objections presented in the petition is final.

SECTION 500. IC 36-8-15-15.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15.1. (a) A board may enter into a lease of any facility that may be financed with the proceeds of bonds issued under this chapter with a lessor for a term not to exceed fifty (50) years. The lease may provide for payments to be made by the board from special benefits taxes levied under section 14 of this chapter and any other revenue available to the board, or any combination of these sources.

(b) A lease may provide that payments by the board to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms

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of each lease must be based upon the value of the facilities leased and may not create a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the board only after a public hearing by the board at which all interested parties are given the opportunity to be heard. Notice of the hearing must be given by publication in accordance with IC 5-3-1. After the public hearing, the board may adopt a resolution authorizing the execution of the lease on behalf of the unit if the board finds that the service to be provided throughout the term of the lease will serve the public purpose of the unit and is in the best interests of the unit's residents. A lease approved by a resolution of the board must be approved by an ordinance of the fiscal body of the unit.

(d) Upon execution of a lease providing for payments by the board in whole or in part from the levy of special benefits taxes under section 14 of this chapter and upon approval of the lease by the fiscal body, the board shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the district who will be affected by the lease and who may be of the opinion that no necessity exists for the execution of the lease or that the payments provided for in the lease are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and approval. The petition must set forth the petitioners' names, addresses, and objections to the lease and the facts showing that the execution of the lease is unnecessary or unwise or that the payments provided for in the lease are not fair and reasonable, as the case may be. Upon the filing of the petition, the county auditor shall immediately certify a copy of it, together with any other data necessary in order to present the questions involved, to the ~~state board of tax commissioners.~~ **department of local government finance.** Upon receipt of the certified petition and information, the ~~state board of tax commissioners~~ **department of local government finance** shall fix a time and place for the hearing in the district, which must be not less than five (5) or more than thirty (30) days after the time of the hearing is fixed. Notice of the hearing shall be given by the ~~state board of tax commissioners~~ **department of local government finance** to the members of the fiscal body, the board, and the first fifty (50) petitioners on the petition by a letter signed by ~~one (1) member of the state board of tax commissioners~~ **the commissioner or deputy commissioner of the department** and enclosed with fully prepaid postage sent to those persons at their usual place of residence, at ~~lease~~ **least** five (5) days before the date of the hearing. The decision

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of the ~~state board of tax commissioners~~ **department of local government finance** on the appeal, upon the necessity for the execution of the lease and as to whether the payments under it are fair and reasonable, is final.

(e) A board entering into a lease that is payable from revenues or other available funds of the board may:

(1) pledge the revenue to make payments under the lease as provided in IC 5-1-14-4; and

(2) establish a special fund to make the payments.

Lease rentals may be limited to money in the special fund so that the obligations of the board to make the lease rental payments are not considered a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(f) Except as provided in this section, no approvals of a governmental body or an agency are required before the board enters into a lease under this section.

(g) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the ~~state board of tax commissioners,~~ **department of local government finance,** an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the ~~state board of tax commissioners.~~ **department.**

(h) If a board exercises an option to buy a leased facility from a lessor, the board may subsequently sell the leased facility, without regard to any other statutes, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the board through an auction, appraisal, or arms length negotiation. The board shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. An action to contest the sale must be brought within fifteen (15) days after the hearing.

SECTION 501. IC 36-8-19-8.5, AS AMENDED BY P.L.36-2000, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.5. (a) Participating units may agree to establish an equipment replacement fund under this section to be used to purchase fire protection equipment, including housing, that will be used to serve the entire territory. To establish the fund, the legislative bodies of all participating units must adopt identical ordinances after January 1 but before April 1 authorizing the provider unit to establish the fund. The ordinance must include at least the following:

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(1) The name of each participating unit and the provider unit.

(2) An agreement to impose a uniform tax rate upon all of the taxable property within the territory for the equipment replacement fund.

(3) The contents of the agreement to establish the fund.

An ordinance adopted under this section takes effect July 1 of the year the ordinance is adopted.

(b) If a fund is established, the participating units may agree to:

(1) impose a property tax to provide for the accumulation of money in the fund to purchase fire protection equipment;

(2) incur debt to purchase fire protection equipment and impose a property tax to retire the loan; or

(3) transfer an amount from the fire protection territory fund to the fire equipment replacement fund not to exceed five percent (5%) of the levy for the fire protection territory fund for that year;

or any combination of these options. The property tax rate for the levy imposed under this section may not exceed ten cents ($0.10). Before debt may be incurred, the fiscal bodies of all participating units must adopt identical ordinances specifying the amount and purpose of the debt. In addition, the ~~state board of tax commissioners~~ **department of local government finance** must approve the incurrence of the debt using the same standards as applied to the incurrence of debt by civil taxing units.

(c) Money in the fund may be used by the provider unit only for those purposes set forth in the agreement among the participating units that permits the establishment of the fund.

SECTION 502. IC 36-8-19-8.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.7. After a sufficient appropriation for the purchase of firefighting apparatus and equipment, including housing, is made and is available, the participating units, with the approval of the fiscal body of each participating unit, may purchase the firefighting apparatus and equipment for the territory on an installment conditional sale or mortgage contract running for a period not exceeding:

(1) six (6) years; or

(2) fifteen (15) years for a territory that:

(A) has a total assessed value of twenty million dollars ($20,000,000) or less, as determined by the ~~state board of tax commissioners;~~ **department of local government finance;** and

(B) is purchasing the firefighting equipment with funding from the:

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(i) state or its instrumentalities; or

(ii) federal government or its instrumentalities.

The purchase shall be amortized in equal or approximately equal installments payable on January 1 and July 1 each year.

SECTION 503. IC 36-8-19-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The ~~state board of tax commissioners,~~ **department of local government finance,** when approving a rate and levy fixed by the provider unit, shall verify that a duplication of tax levies does not exist within participating units, so that taxpayers do not bear two (2) levies for the same service, except as provided by subsection (b) or (c).

(b) A unit that incurred indebtedness for fire protection services before becoming a participating unit under this chapter shall continue to repay that indebtedness by levies within the boundaries of the unit until the indebtedness is paid in full.

(c) A unit that agreed to the borrowing of money to purchase fire protection equipment while a participating unit under this chapter shall continue to repay the unit's share of that indebtedness by imposing a property tax within the boundaries of the unit until the indebtedness is paid in full. The ~~state board of tax commissioners~~ **department of local government finance** shall determine the amount of the indebtedness that represents the unit's fair share, taking into account the equipment purchased, the useful life of the equipment, the depreciated value of the equipment, and the number of years the unit benefited from the equipment.

SECTION 504. IC 36-9-3-29, AS AMENDED BY P.L.233-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 29. The board shall prepare an annual budget for the authority's operating and maintenance expenditures and necessary capital expenditures. Each annual budget is subject to review and modification by the:

(1) fiscal body of the county or municipality that establishes the authority; and

(2) county board of tax adjustment and the ~~state board of tax commissioners~~ **department of local government finance** under IC 6-1.1-17.

SECTION 505. IC 36-9-3-31 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 31. (a) This section applies to an authority that includes a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

(b) The authority may issue revenue or general obligation bonds

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under this section.

(c) The board may issue revenue bonds of the authority for the purpose of procuring money to pay the cost of acquiring real or personal property for the purpose of this chapter. The issuance of bonds must be authorized by resolution of the board and approved by the county fiscal bodies of the counties in the authority before issuance. The resolution must provide for the amount, terms, and tenor of the bonds, and for the time and character of notice and mode of making sale of the bonds.

(d) The bonds are payable at the times and places determined by the board, but they may not run more than thirty (30) years after the date of their issuance and must be executed in the name of the authority by an authorized officer of the board and attested by the secretary. The interest coupons attached to the bonds may be executed by placing on them the facsimile signature of the authorized officer of the board.

(e) The president of the authority shall manage and supervise the preparation, advertisement, and sale of the bonds, subject to the authorizing ordinance. Before the sale of bonds, the president shall cause notice of the sale to be published in accordance with IC 5-3-1, setting out the time and place where bids will be received, the amount and maturity dates of the issue, the maximum interest rate, and the terms and conditions of sale and delivery of the bonds. The bonds shall be sold in accordance with IC 5-1-11. After the bonds have been properly sold and executed, the executive director or president shall deliver them to the controller of the authority and take ~~his~~ **a** receipt for them, and shall certify to the treasurer the amount that the purchaser is to pay, together with the name and address of the purchaser. On payment of the purchase price the controller shall deliver the bonds to the purchaser, and the controller and executive director or president shall report their actions to the board.

(f) General obligation bonds issued under this section are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to the filing of a petition requesting the issuance of bonds, the appropriation of the proceeds of bonds, the right of taxpayers to appeal and be heard on the proposed appropriation, the approval of the appropriation by the ~~state board of tax commissioners,~~ **department of local government finance,** the right of taxpayers to remonstrate against the issuance of bonds, and the sale of bonds for not less than their par value.

(g) Notice of the filing of a petition requesting the issuance of bonds, notice of determination to issue bonds, and notice of the appropriation of the proceeds of the bonds shall be given by posting in the offices of the authority for a period of one (1) week and by

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publication in accordance with IC 5-3-1.

(h) The bonds are not a corporate indebtedness of any unit, but are an indebtedness of the authority as a municipal corporation. A suit to question the validity of the bonds issued or to prevent their issuance may not be instituted after the date set for sale of the bonds, and after that date the bonds may not be contested for any cause.

(i) The bonds issued under this section and the interest on them are exempt from taxation for all purposes except the financial institutions tax imposed under IC 6-5.5 or a state inheritance tax imposed under IC 6-4.1.

SECTION 506. IC 36-9-4-45 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 45. (a) Bonds issued under this chapter:

(1) shall be issued in the denomination;

(2) are payable over a period not to exceed thirty (30) years from the date of the bonds; and

(3) mature;

as determined by the ordinance authorizing the bond issue.

(b) All bonds issued under this chapter, the interest on them, and the income from them are exempt from taxation to the extent provided by IC 6-8-5-1.

(c) The provisions of IC 6-1.1-20 relating to filing petitions requesting the issuance of bonds and giving notice of those petitions, giving notice of a hearing on the appropriation of the proceeds of the bonds, the right of taxpayers to appear and be heard on the proposed appropriation, the approval of the appropriation by the ~~state board of tax commissioners,~~ **department of local government finance,** and the right of taxpayers to remonstrate against the issuance of bonds apply to the issuance of bonds under this chapter.

(d) A suit to question the validity of bonds issued under this chapter or to prevent their issue and sale may not be instituted after the date set for the sale of the bonds, and the bonds are incontestable after that date.

SECTION 507. IC 36-9-4-47 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 47. (a) The board of directors of a public transportation corporation may:

(1) borrow money in anticipation of receipt of the proceeds of taxes that have been levied by the board and have not yet been collected; and

(2) evidence this borrowing by issuing warrants of the corporation.

The money that is borrowed may be used by the corporation for payment of principal and interest on its bonds or for payment of current

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operating expenses.

(b) The warrants:

(1) bear the date or dates;

(2) mature at the time or times on or before December 31 following the year in which the taxes in anticipation of which the warrants are issued are due and payable;

(3) bear interest at the rate or rates and are payable at the time or times;

(4) may be in the denominations;

(5) may be in the forms, either registered or payable to bearer;

(6) are payable at the place or places, either inside or outside Indiana;

(7) are payable in the medium of payment;

(8) are subject to redemption upon the terms, including a price not exceeding par and accrued interest; and

(9) may be executed by the officers of the corporation in the manner;

provided by resolution of the board of directors. The resolution may also authorize the board to pay from the proceeds of the warrants all costs incurred in connection with the issuance of the warrants.

(c) The warrants may be authorized and issued at any time after the board of directors levies the tax or taxes in anticipation of which the warrants are issued.

(d) The warrants may be sold for not less than par value after notice inviting bids has been published in accordance with IC 5-3-1. The board of directors may also publish the notice inviting bids in other newspapers or financial journals.

(e) After the warrants are sold, they may be delivered and paid for at one (1) time or in installments.

(f) The aggregate principal amount of warrants issued in anticipation of and payable from the same tax levy or levies may not exceed eighty percent (80%) of the levy or levies, as the amount of the levy or levies is certified by the ~~state board of tax commissioners,~~ **department of local government finance,** or as is determined by multiplying the rate of tax as finally approved by the total assessed valuation of taxable property within the taxing district of the public transportation corporation as most recently certified by the county auditor.

(g) For purposes of this section, taxes for any year are considered to be levied when the board of directors adopts the ordinance prescribing the tax levies for the year. However, warrants may not be delivered and paid for before final approval of a tax levy or levies by the county

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board of tax adjustment (or, if appealed, by the ~~state board of tax commissioners)~~ **department of local government finance)** unless the issuance of the warrants has been approved by the ~~state board of tax commissioners.~~ **department of local government finance.**

(h) The warrants and the interest on them are not subject to sections 43 and 44 of this chapter and are payable solely from the proceeds of the tax levy or levies in anticipation of which the warrants were issued. The authorizing resolution must pledge a sufficient amount of the proceeds of the tax levy or levies to the payment of the warrants and the interest.

(i) All actions of the board of directors under this section may be taken by resolution, which need not be published or posted. The resolution takes effect immediately upon its adoption by a majority of the members of the board of directors.

(j) An action to contest the validity of any tax anticipation warrants may not be brought later than ten (10) days after the sale date.

SECTION 508. IC 36-9-4-51 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 51. (a) The board of directors of a public transportation corporation shall prepare an annual budget for the expenditures of the corporation.

(b) This subsection applies only when a municipality, having operated an urban mass transportation system under a department of municipal government, establishes a public transportation corporation under section 10 of this chapter to maintain that system. The annual operating and maintenance budget for the corporation shall be subject to review and modification by the legislative body of the municipality.

(c) A public transportation corporation may not impose a property tax levy on property that it has not taxed before January 1, 1982, and that lies outside the corporate boundaries of the municipality without the approval of the fiscal body or county council of the county in which the municipality is located.

(d) The budget and any tax levies prepared by the board shall be prepared and submitted at the same time, in the same manner, and with the same notice as is prescribed by IC 6-1.1-17 for the annual budget of the municipality. The county tax adjustment board and the ~~state board of tax commissioners~~ **department of local government finance** may review the budget and tax levies in the same manner by which they review budgets and tax levies of the municipality.

SECTION 509. IC 36-9-4-57 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 57. (a) The board of directors of a public transportation corporation may, by resolution, establish an improvement reserve fund for the purpose of accumulating

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money over two (2) or more fiscal years for the following:

(1) The purchase of specified real property.

(2) The purchase of specified major equipment, including buses.

(3) The making of improvements to real property owned by the public transportation corporation.

(b) Transfers that are placed in an improvement reserve fund established under this section must be included in the annual budget of the public transportation corporation.

(c) The board of directors of a public transportation corporation may make an expenditure of money from an improvement reserve fund only after:

(1) holding a public meeting in accordance with section 22 of this chapter;

(2) the adoption by the board of a resolution under subsection (d); and

(3) approval by the ~~state board of tax commissioners.~~ **department of local government finance.**

(d) A resolution for expenditure from an improvement reserve fund established under this section must include the following:

(1) The specific amount of the expenditure.

(2) The specific use of the expenditure.

(3) A finding by the board of directors that the proposed use of funds complies with the restrictions under subsection (a).

(e) The money in the improvement reserve fund may not be considered in determining the corporation's property tax levy under this chapter or IC 6-1.1.

(f) The money in the improvement reserve fund at the end of the fiscal year does not revert to the general fund.

SECTION 510. IC 36-9-12-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Money deposited in the special fund under section 4 of this chapter may be expended only upon a specific appropriation made for that purpose by the municipal legislative body in the same manner that it appropriates other public money.

(b) The municipal works board or board of transportation shall prepare an itemized estimate of the money necessary for the operation of parking meters for the ensuing year at the regular time of making and filing budget estimates for other departments of the municipality. These estimates shall be made and presented to the municipal legislative body in the same manner as other department estimates.

(c) An appropriation under this section is not subject to review by the county tax adjustment board or the ~~state board of tax~~

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~~commissioners,~~ **department of local government finance,** and the general statutes regarding appropriation of funds do not affect this chapter.

SECTION 511. IC 36-9-13-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28. (a) If the terms and conditions of a proposed lease are approved under section 27 of this chapter, notice of the approval of the lease shall be given on behalf of the eligible entity by publication in accordance with IC 5-3-1. Ten (10) or more taxpayers in the eligible entity:

(1) whose tax rate will be affected by the proposed lease; and

(2) who are of the opinion that there is no necessity for the lease, or that the method of determining the lease rental is not fair and reasonable;

may file a petition in the office of the county auditor within thirty (30) days after publication of notice of the approval of the lease. The petition must set forth their objections to the lease and facts showing that the lease is unnecessary or unwise, or that the method of determining the lease rental is not fair and reasonable.

(b) Upon the filing of a petition under subsection (a), the county auditor shall immediately certify a copy of it, together with any other data necessary to present the questions involved, to the ~~state board of tax commissioners.~~ **department of local government finance.** Not less than five (5) nor more than fifteen (15) days after receipt of the certified petition and data, the ~~board~~ **department of local government finance** shall fix a time and place in the county for the hearing of the matter. The ~~board~~ **department of local government finance** shall give notice of the hearing to the eligible entity and to the first ten (10) petitioners on the petition by registered mail, at least five (5) days before the date of the hearing.

(c) The decision of the ~~state board of tax commissioners~~ **department of local government finance** on a petition under this section is final.

(d) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be instituted within thirty (30) days after publication of notice of the approval of the lease, or if an appeal has been taken to the ~~state board of tax commissioners,~~ **department of local government finance,** within thirty (30) days after the decision of the ~~board.~~ **department.**

SECTION 512. IC 36-9-13-35 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 35. The annual operating budget of a building authority is subject to review by the county board of tax adjustment and then by the ~~state board of tax~~

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~~commissioners~~ **department of local government finance** as in the case of other political subdivisions.

SECTION 513. IC 36-9-16-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) A cumulative building fund or cumulative capital improvement fund may be established by a resolution that is:

(1) adopted by the unit's legislative body; and

(2) approved by the ~~state board of tax commissioners.~~ **department of local government finance.**

(b) Notice of the proposed levy to provide money for the cumulative building fund or cumulative capital improvement fund shall be given to all taxpayers in the unit before the proposed action is presented to the ~~state board of tax commissioners~~ **department of local government finance** for approval. Notice shall be given by publication of the proposal in accordance with IC 5-3-1.

(c) If, after the public hearing, the proposed action is submitted for approval to the ~~state board of tax commissioners,~~ **department of local government finance,** the ~~board~~ **department** shall require notice of that submission to be given to the taxing district involved in the manner prescribed by subsection (b).

(d) Fifty (50) or more taxpayers in the taxing district who will be affected by the tax rate may, not later than ten (10) days after the publication of the notice, file with the county auditor a petition setting forth their objections to the proposed levy. The county auditor shall immediately certify the petition to the ~~state board of tax commissioners,~~ **department of local government finance,** which, within a reasonable time, shall fix a date for a hearing on the petition. The hearing shall be held in the county in which the unit is located. Notice of the hearing shall be given to the executive of the unit and to the first ten (10) taxpayers whose names appear upon the petition, by a letter signed by the ~~secretary or any member of the board~~ **commissioner or deputy commissioner of the department of local government finance** and sent by mail to the executive and the taxpayers at their usual place of residence at least five (5) days before the date fixed for the hearing.

(e) After a hearing upon the proposal, the ~~state board of tax commissioners~~ **department of local government finance** shall certify its approval, disapproval, or modification of the proposed tax levy to the auditor of the county in which the unit is located. The action of the ~~board~~ **department of local government finance** with respect to the proposed levy is final and conclusive.

SECTION 514. IC 36-9-16-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The unit's

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fiscal body may levy a tax not to exceed thirty-three cents ($0.33) on each one hundred dollars ($100) of taxable property within the taxing district to provide for a cumulative capital improvement fund. The tax may be levied annually for any period not to exceed ten (10) years and may be decreased or increased from year to year, except that the tax may not be increased above the levy approved by the ~~state board of tax commissioners.~~ **department of local government finance.**

(b) Surplus money in other accounts of the unit, or other sources, and money acquired from other activities of the unit, or other sources, may, by resolution of the legislative body and with the approval of the ~~state board of tax commissioners,~~ **department of local government finance,** be added to the cumulative capital improvement fund.

(c) Appropriations may be made:

(1) as provided by law from the cumulative capital improvement fund for purposes of this chapter; or

(2) for a contribution to an authority established under IC 36-7-23.

SECTION 515. IC 36-9-27-110 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 110. (a) Whenever this chapter provides for the mailing of a notice to owners of affected land, the notice shall be addressed to the owner at ~~his~~ **the owner's** home address as last entered by the county auditor for property tax purposes. If the owner is a railroad company or utility and is not assessed for taxes locally, the notice shall be addressed to the ~~state board of tax commissioners~~ **department of local government finance** for forwarding to the railroad company or utility. If the owner is a unit or a school corporation, the notice shall be addressed to the persons authorized by law to accept service of process in civil actions on behalf of that owner. If the owner is the state, copies of the notice shall be addressed to the department or agency, if any, charged by law with the maintenance, supervision, or control over the state owned land that is affected.

(b) Whenever sections 54 through 65 of this chapter provide for the service of any document upon the attorney for a petitioner, the service shall be made by personally handing the document to the attorney, by leaving the document at the attorney's address, or by mailing the document to the address of the attorney as set forth in the petition.

SECTION 516. IC 36-9-30-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27. In anticipation of the acquisition of a site and the construction and erection of solid waste disposal facilities, including the necessary equipment and appurtenances, a unit may enter into a lease with option to purchase

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with a lessor corporation, subject to the approval of the ~~state board of tax commissioners.~~ **department of local government finance.** Such a lease may not provide for the payment of any lease rental by the lessee until the facilities are completed and ready for solid waste disposal. The lessor corporation shall agree in the lease to furnish a bond satisfactory to the lessee and conditioned upon final completion of the facilities within the period specified in the lease, except for unavoidable delays.

SECTION 517. IC 36-9-31-3, AS AMENDED BY P.L.67-1999, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. In order to provide for the collection and disposal of waste in the consolidated city and for the management, operation, acquisition, and financing of facilities for waste disposal, the board may exercise the following powers on behalf of the city, in addition to the powers specifically set forth elsewhere in this chapter:

(1) To sue and be sued.

(2) To exercise the power of eminent domain as provided in IC 32-11 within the corporate boundaries of the city; however, the power of eminent domain may not be exercised to acquire the property of any public utility used for the production or distribution of energy.

(3) To provide for the collection of waste accumulated within the service district and to provide for disposal of waste accumulated within the waste disposal district, including contracting with persons for collection, disposal, or waste storage, and the recovery of byproducts from waste, and granting these persons the right to collect and dispose of any such wastes and store and recover byproducts from them.

(4) To plan, design, construct, finance, manage, own, lease, operate, and maintain facilities for waste disposal.

(5) To enter into all contracts or agreements necessary or incidental to the collection, disposal, or recovery of byproducts from waste, such as put or pay contracts, contracts and agreements for the design, construction, operation, financing, ownership, or maintenance of facilities or the processing or disposal of waste or the sale or other disposition of any products generated by a facility. Notwithstanding any other statute, any such contract or agreement may be for a period not to exceed forty (40) years.

(6) To enter into agreements for the leasing of facilities in accordance with IC 36-1-10; however, any such agreement having an original term of five (5) or more years is subject to approval by

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the ~~state board of tax commissioners~~ **department of local government finance** under IC 6-3.5. Such an agreement may be executed before approval, but if the ~~state board of tax commissioners~~ **department of local government finance** does not approve the agreement, it is void.

(7) To purchase, lease, or otherwise acquire real or personal property.

(8) To contract for architectural, engineering, legal, or other professional services.

(9) To exclusively control, within the city, the collection, transportation, storage, and disposal of waste, and subject to the provisions of sections 6 and 8 of this chapter, to fix fees in connection with these matters.

(10) To determine exclusively the location and character of any facility, subject to local zoning ordinances and environmental management laws (as defined in IC 13-11-2-71).

(11) To sell or lease to any person any facility or part of it.

(12) To make and contract for plans, surveys, studies, and investigations.

(13) To enter upon property to make surveys, soundings, borings, and examinations.

(14) To accept gifts, grants, or loans of money, other property, or services from any source, public or private, and to comply with their terms.

(15) To issue from time to time waste disposal district bonds to finance the cost of facilities as provided in section 9 of this chapter.

(16) To issue from time to time revenue bonds to finance the cost of facilities as provided in section 10 of this chapter.

(17) To issue from time to time waste disposal development bonds to finance the cost of facilities as provided in section 11 of this chapter.

(18) To issue from time to time notes in anticipation of grants or in anticipation of the issuance of bonds to finance the cost of facilities as provided in section 13 of this chapter.

(19) To establish fees for the collection and disposal of waste, subject to the provisions of sections 6 and 8 of this chapter.

(20) To levy a tax within the service district to pay costs of operation in connection with waste collection, waste disposal, mowing services, and animal control, subject to regular budget and tax levy procedures. For purposes of this subdivision, "mowing services" refers only to mowing services for

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rights-of-way or on vacant property.

(21) To levy a tax within the waste disposal district to pay costs of operation in connection with waste disposal, subject to regular budget and tax levy procedures.

(22) To borrow in anticipation of taxes.

(23) To employ staff engineers, clerks, secretaries, and other employees in accordance with an approved budget.

(24) To issue requests for proposals and requests for qualifications as provided in section 4 of this chapter.

(25) To require all persons located within the service district or waste disposal district to deposit waste at sites designated by the board.

(26) To otherwise do all things necessary for the collection and disposal of waste and the recovery of byproducts from it.

SECTION 518. IC 36-9-31-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Any put or pay contract may provide for payments to be made by the consolidated city under the contract from:

(1) the levy of taxes;

(2) revenues;

(3) any other available funds of the consolidated city; or

(4) any combination of the foregoing.

(b) A put or pay contract may further provide that payments by the consolidated city to the other person to the contract are required only to the extent and only for the period or periods that person is able to accept and dispose of waste in accordance with the contract had such waste been delivered to the person.

(c) A put or pay contract may be entered into by the consolidated city extending for a period of five (5) years or more only after a public hearing by the board, at which all interested persons shall be heard. After the public hearing, the board may adopt a resolution authorizing the execution of the contract on behalf of the city if it finds that the estimated amount of waste to be provided throughout the term of the contract will not be less than the specified amount of waste required to be provided by the contract.

(d) A put or pay contract providing for payments by the consolidated city in whole or in part from the levy of taxes is not valid unless approved by ordinance of the city-county legislative body. Upon execution of such a contract and approval by the legislative body, the board shall cause notice of the execution of the contract and its approval to be given by public notice. Fifty (50) or more taxpayers residing in the city who will be affected by the contract and who may

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be of the opinion that no necessity exists for the execution of the contract or that the payments provided for in the contract are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and approval, setting forth their names, addresses, and objections to the contract and the facts showing that the execution of the contract is unnecessary or unwise or that the payments provided for in the contract are not fair and reasonable, as the case may be. Upon the filing of the petition, the county auditor shall immediately certify a copy of it, together with such other data as may be necessary in order to present the questions involved, to the ~~state board of tax commissioners.~~ **department of local government finance.** Upon receipt of the certified petition and information, the ~~state board of tax commissioners~~ **department of local government finance** shall fix a time and place for the hearing of the matter, which must be not less than five (5) nor more than thirty (30) days thereafter in the city. Notice of the hearing shall be given by the ~~state board of tax commissioners~~ **department of local government finance** to the members of the board and to the first fifty (50) taxpayer-petitioners upon the petition by a letter signed by ~~one (1) member of the state board of tax commissioners~~ **the commissioner or deputy commissioner of the department of local government finance** and enclosed with fully prepaid postage sent to those persons at their usual place of residence, at least five (5) days before the date of the hearing. The decision of the ~~state board of tax commissioners~~ **department of local government finance** on the appeal, upon the necessity for the execution of the contract, and as to whether the payments under it are fair and reasonable, is final.

(e) An action to contest the validity of the contract or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of notice of the execution and approval of the contract, or if an appeal has been taken to the ~~state board of tax commissioners,~~ **department of local government finance,** then within thirty (30) days after the decision of the ~~board.~~ **department.**

(f) After the consolidated city has entered into a put or pay contract under this section, the city-county legislative body shall annually levy a tax sufficient to produce each year the necessary amount, with other amounts available, if any, that is sufficient to pay the amounts that the contract provides are to be paid from the levy of taxes. The tax levies provided for in this chapter are reviewable by other bodies vested by law with authority to ascertain that the levies are sufficient to raise the amount that, with other amounts available, is sufficient to meet the

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payments under the contract payable from the levy of taxes.

SECTION 519. IC 36-10-3-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. (a) In order to raise money to pay for land to be acquired for any of the purposes named in this chapter, to pay for an improvement authorized by this chapter, or both, and in anticipation of the special benefit tax to be levied as provided in this chapter, the board shall cause to be issued, in the name of the unit, the bonds of the district. The bonds may not exceed in amount the total cost of all land to be acquired and all improvements described in the resolution, including all expenses necessarily incurred in connection with the proceedings, together with a sum sufficient to pay the costs of supervision and inspection during the period of construction of a work. The expenses to be covered in the bond issue include all expenses of every kind actually incurred preliminary to acquiring the land and the construction of the work, such as the cost of the necessary record, engineering expenses, publication of notices, preparation of bonds, and other necessary expenses. If more than one (1) resolution or proceeding of the board under section 23 of this chapter is confirmed whereby different parcels of land are to be acquired, or more than one (1) contract for work is let by the board at approximately the same time, the cost involved under all of the resolutions and proceedings may be included in one (1) issue of bonds.

(b) The bonds may be issued in any denomination not less than one thousand dollars ($1,000) each, in not less than five (5) nor more than forty (40) annual series. The bonds are payable one (1) series each year, beginning at a date after the receipt of taxes from a levy made for that purpose. The bonds are negotiable. The bonds may bear interest at any rate, payable semiannually. After adopting a resolution ordering bonds, the board shall certify a copy of the resolution to the unit's fiscal officer. The fiscal officer shall prepare the bonds and the unit's executive shall execute them, attested by the fiscal officer.

(c) The bonds and the interest on them are exempt from taxation as prescribed by IC 6-8-5-1. Bonds issued under this section are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to the filing of a petition requesting the issuance of bonds, the right of taxpayers to remonstrate against the issuance of bonds, the appropriation of the proceeds of the bonds and approval by the ~~state board of tax commissioners,~~ **department of local government finance,** and the sale of bonds at public sale for not less than their par value.

(d) The board may not have bonds of the district issued under this section that are payable by special taxation when the total issue for that purpose, including the bonds already issued or to be issued, exceeds

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two percent (2%) of the adjusted value of the taxable property in the district as determined under IC 36-1-15. All bonds or obligations issued in violation of this subsection are void. The bonds are not obligations or indebtedness of the unit, but constitute an indebtedness of the district as a special taxing district. The bonds and interest are payable only out of a special tax levied upon all the property of the district as prescribed by this chapter. The bonds must recite the terms upon their face, together with the purposes for which they are issued.

SECTION 520. IC 36-10-7-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) This section applies to all townships having a population of less than two thousand (2,000).

(b) The township executive may lease, purchase, accept by grant, devise, bequest, or other conveyance to the township, or otherwise acquire land for park purposes and may make necessary improvements only as provided by this section.

(c) The legislative body may establish a township park and may, by resolution, appropriate from the general fund of the township the necessary money to lease, purchase, accept, or otherwise acquire land for park purposes or make improvements thereon. The executive shall then lease, purchase, accept, or acquire the land for park purposes or shall make improvements thereon as directed in the resolution. However, the costs of the park grounds or of the improvements provided for in the resolution may not exceed in one (1) year one-fifth of one percent (0.2%) of the adjusted value of all taxable property of the township as determined under IC 36-1-15.

(d) If a park has been established under this section, the executive shall have the park maintained and may make improvements and construct and maintain facilities for the comfort and convenience of the public. However, the executive annually may not spend more than one cent ($0.01) on each one hundred dollars ($100) of assessed valuation of taxable property in the township as it appears on the tax duplicates of the auditor of the county in which the township is located. The money shall be paid from the general fund of the township.

(e) If the general fund of the township is insufficient to meet the expenses of acquiring or improving the land for park purposes, the executive shall call a special meeting of the legislative body by written notice to each member of the legislative body at least three (3) days before the date of the meeting. The notice must state the time, place, and purpose of the meeting. The legislative body shall meet and determine whether an emergency exists for the issuance of the warrants or bonds of the township. The legislative body shall, by resolution,

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authorize the issuance and sale of the warrants or bonds of the township in an amount not exceeding two percent (2%) of the adjusted value of all taxable property in the township as determined under IC 36-1-15. The amount of bonds may not exceed the total estimated cost of all land to be acquired and all improvements described in the resolution, including all expenses necessarily incurred in connection with the proceedings. The proceeds from the sale of the bonds shall be deposited in the general fund of the township. The bonds become due and payable not less than two (2) nor more than ten (10) years after the date of issuance, may bear interest at any rate, and may not be sold for less than par value. The bonds shall be sold after giving notice of the sale of bonds in accordance with IC 5-3-1. The bonds and the interest thereon are exempt from taxation as provided by IC 6-8-5 and are subject to the provisions of IC 6-1.1-20 relating to the filing of a petition requesting the issuance of bonds, the appropriation of the proceeds of the bonds, and the approval by the ~~state board of tax commissioners.~~ **department of local government finance.**

(f) The legislative body shall, at its next annual meeting after authorization of bonds and annually each following year, levy a sufficient tax against all the taxable property of the township to pay the principal of the bonds, together with accruing interest, as they become due. The executive shall apply the money received from the levy only to the payment of bonds and interest as they become due.

(g) In addition to the levy required by subsection (f), the legislative body shall, when a park has been established under this section and at every annual meeting after establishment, levy a tax not exceeding one cent ($0.01) on each one hundred dollars ($100) of taxable property in the township. The levy required by this subsection shall be used by the executive for the maintenance and improvement of the park. The executive may not expend more for maintenance and improvement of the park than the amount collected by the levy except:

(1) upon petition by fifty-one percent (51%) of the taxpayers of the township; or

(2) when warrants or bonds are to be issued under this section to finance the expenses of improvements.

The amount received from the levy shall be deposited in the general fund of the township.

(h) A park established under this section shall be kept open to the public in accordance with rules prescribed by the executive.

(i) If the executive determines that land or other property used for park purposes under this section should be disposed of and that the park should no longer be maintained, the executive shall appoint three

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(3) disinterested appraisers to appraise the property. The property shall then be disposed of either at public or private sale for at least its appraised value.

(j) This subsection applies if the township sells the property by acceptance of bids. A bid submitted by a trust (as defined in IC 30-4-1-1(a)) must identify each:

(1) beneficiary of the trust; and

(2) settlor empowered to revoke or modify the trust.

(k) All money from the sale of park property, less the expenses incurred in making the appraisal and sale, shall be paid into the general fund of the township.

SECTION 521. IC 36-10-7.5-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) To raise money to pay for land to be acquired for any of the purposes named in this chapter or to pay for an improvement authorized by this chapter and in anticipation of the special benefit tax to be levied as provided in this chapter, the legislative body shall issue in the name of the township the bonds of the district. The bonds may not exceed in amount the total cost of all land to be acquired and all improvements described in the resolution, including all expenses necessarily incurred in connection with the proceedings, together with a sum sufficient to pay the costs of supervision and inspection during the period of construction of a work. The expenses to be covered in the bond issue include all expenses of every kind actually incurred preliminary to acquiring the land and the construction of the work, such as the cost of the necessary record, engineering expenses, publication of notices, preparation of bonds, and other necessary expenses. If more than one (1) resolution or proceeding of the legislative body under this chapter is confirmed whereby different parcels of land are to be acquired or more than one (1) contract for work is let by the executive at approximately the same time, the cost involved under all of the resolutions and proceedings may be included in one (1) issue of bonds.

(b) The bonds may be issued in any denomination not less than one thousand dollars ($1,000) each, in not less than five (5) nor more than forty (40) annual series. The bonds are payable one (1) series each year, beginning at a date after the receipt of taxes from a levy made for that purpose. The bonds are negotiable. The bonds may bear interest at any rate, payable semiannually. After adopting a resolution ordering bonds, the legislative body shall certify a copy of the resolution to the township's fiscal officer. The fiscal officer shall prepare the bonds and the executive shall execute the bonds, attested by the fiscal officer.

(c) The bonds and the interest on the bonds are exempt from

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taxation as prescribed by IC 6-8-5-1. Bonds issued under this section are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to the filing of a petition requesting the issuance of bonds, the right of taxpayers to remonstrate against the issuance of bonds, the appropriation of the proceeds of the bonds with the approval of the ~~state board of tax commissioners,~~ **department of local government finance,** and the sale of bonds at public sale for not less than the par value of the bonds.

(d) The legislative body may not have bonds of the district issued under this section that are payable by special taxation when the total issue for that purpose, including the bonds already issued or to be issued, exceeds two percent (2%) of the total adjusted value of the taxable property in the district as determined under IC 36-1-15. All bonds or obligations issued in violation of this subsection are void. The bonds are not obligations or indebtedness of the township but constitute an indebtedness of the district as a special taxing district. The bonds and interest are payable only out of a special tax levied upon all the property of the district as prescribed by this chapter. A bond must recite the terms upon the face of the bond, together with the purposes for which the bond is issued.

SECTION 522. IC 36-10-8-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) A capital improvement may be financed in whole or in part by the issuance of general obligation bonds of the county or, if the authority was created under IC 18-7-18 (before its repeal on February 24, 1982), also of the city, if the board determines that the estimated annual net income of the capital improvement, plus the estimated annual tax revenues to be derived from any tax revenues made available for this purpose, will not be sufficient to satisfy and pay the principal of and interest on all bonds issued under this chapter, including the bonds then proposed to be issued.

(b) If the board desires to finance a capital improvement in whole or in part as provided in this section, it shall have prepared a resolution to be adopted by the county executive authorizing the issuance of general obligation bonds, or, if the authority was created under IC 18-7-18 (before its repeal on February 24, 1982), by the fiscal body of the city authorizing the issuance of general obligation bonds. The resolution must set forth an itemization of the funds and assets received by the board, together with the board's valuation and certification of the cost. The resolution must state the date or dates on which the principal of the bonds is payable, the maximum interest rate to be paid, and the other terms upon which the bonds shall be issued. The board shall

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submit the proposed resolution to the proper officers, together with a certificate to the effect that the issuance of bonds in accordance with the resolution will be in compliance with this section. The certificate must also state the estimated annual net income of the capital improvement to be financed by the bonds, the estimated annual tax revenues, and the maximum amount payable in any year as principal and interest on the bonds issued under this chapter, including the bonds proposed to be issued, as the maximum interest rate set forth in the resolution. The bonds issued may mature over a period not exceeding forty (40) years from the date of issue.

(c) Upon receipt of the resolution and certificate the proper officers may adopt them and take all action necessary to issue the bonds in accordance with the resolution. An action to contest the validity of bonds issued under this section may not be brought after the fifteenth day following the receipt of bids for the bonds.

(d) The provisions of all general statutes relating to:

(1) the filing of a petition requesting the issuance of bonds and giving notice;

(2) the right of taxpayers to remonstrate against the issuance of bonds;

(3) the giving of notice of the determination to issue bonds;

(4) the giving of notice of a hearing on the appropriation of the proceeds of bonds;

(5) the right of taxpayers to appear and be heard on the proposed appropriation;

(6) the approval of the appropriation by the ~~state board of tax commissioners;~~ **department of local government finance;** and

(7) the sale of bonds at public sale;

apply to the issuance of bonds under this section.

SECTION 523. IC 36-10-9-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) A capital improvement may be financed in whole or in part by the issuance of general obligation bonds of the county.

(b) If the board desires to finance a capital improvement in whole or in part as provided in this section, it shall have prepared a resolution to be adopted by the board of commissioners of the county authorizing the issuance of general obligation bonds. The resolution must state the date or dates on which the principal of the bonds is payable, the maximum interest rate to be paid, and the other terms upon which the bonds shall be issued. The board shall submit the proposed resolution to the board of commissioners of the county, together with a certificate to the effect that the issuance of bonds in accordance with the

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resolution will be in compliance with this section. The certificate must also state the estimated annual net income of the capital improvement to be financed by the bonds, the estimated annual tax revenues, and the maximum amount payable in any year as principal and interest on the bonds issued under this chapter, including the bonds proposed to be issued, at the maximum interest rate set forth in the resolution. The bonds issued may mature over a period not exceeding forty (40) years from the date of issue.

(c) Upon receipt of the resolution and certificate, the board of commissioners of the county may adopt them and take all action necessary to issue the bonds in accordance with the resolution. An action to contest the validity of bonds issued under this section may not be brought after the fifteenth day following the receipt of bids for the bonds.

(d) The provisions of all general statutes relating to:

(1) the filing of a petition requesting the issuance of bonds and giving notice;

(2) the right of taxpayers to remonstrate against the issuance of bonds;

(3) the giving of notice of the determination to issue bonds;

(4) the giving of notice of a hearing on the appropriation of the proceeds of bonds;

(5) the right of taxpayers to appear and be heard on the proposed appropriation;

(6) the approval of the appropriation by the ~~state board of tax commissioners;~~ **department of local government finance;** and

(7) the sale of bonds at public sale for not less than par value;

are applicable to the issuance of bonds under this section.

SECTION 524. IC 36-10-10-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. A lease under this chapter must provide for the payment of the lease rental by the city from the levy of taxes against the real and personal property located within the city. The lease is subject to approval by the ~~state board of tax commissioners~~ **department of local government finance** under IC 6-3.5. The lease may be executed before approval; however, if the ~~state board of tax commissioners~~ **department of local government finance** does not approve the lease, it is void.

SECTION 525. IC 36-10-10-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) If the execution of the lease is authorized, notice of the execution shall be given on behalf of the city by publication one (1) time in a newspaper of general circulation printed in the English language and published in

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the city. Fifty (50) or more taxpayers in the city whose tax rate will be affected by the proposed lease and who may be of the opinion that no necessity exists for the execution of the lease, or that the lease rental is not fair and reasonable, may file a petition in the office of the city clerk within fifteen (15) days after publication of notice of the execution of the lease, setting forth their objections and the facts supporting those objections.

(b) Upon the filing of a petition, the city clerk shall immediately certify a copy, together with other data that is necessary in order to present the questions involved, to the ~~state board of tax commissioners.~~ **department of local government finance.** Upon receipt of a certified petition and information, the ~~state board of tax commissioners~~ **department of local government finance** shall set a time and place for the hearing of the matter in the city where the petition originated. The hearing shall be held at least five (5) but not more than fifteen (15) days after receipt of the petition by the ~~state board.~~ **department of local government finance.** Notice of the hearing shall be given by the ~~state board~~ **department of local government finance** to the city executive and to the first ten (10) taxpayer petitioners on the petition by certified mail sent to the addresses listed on the petition at least five (5) days before the date of the hearing. After the hearing, the ~~state board of tax commissioners~~ **department of local government finance** shall promptly issue its decision on the petition.

SECTION 526. IC 36-10-10-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. An action to contest the validity of the lease or to enjoin the performance of any of the terms and conditions of the lease may not be brought at any time later than fifteen (15) days after publication of notice of the execution of the lease, or if an appeal has been taken to the ~~state board of tax commissioners,~~ **department of local government finance,** then fifteen (15) days after the decision of the ~~board.~~ **department.**

SECTION 527. IC 36-10-11-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) The lease shall be executed on behalf of the governmental entity by an officer authorized by law to execute contracts for the entity and on behalf of the authority by both the president or vice president of the board and the secretary of the board of directors.

(b) Notice of the execution of the lease shall be given by the governmental entity by publication as provided in IC 5-3-1.

(c) A lease may not be executed with annual lease rental exceeding an aggregate of two hundred seventy-five thousand dollars ($275,000) unless the fiscal body of the lessee governmental entity finds that the

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estimated annual net income to the lessee governmental entity from the civic center, plus any other nonproperty tax funds made available annually for the payment of the lease rental, will not be less than the amount of the excess.

(d) The lease is subject to approval by the ~~state board of tax commissioners~~ **department of local government finance** under IC 6-3.5. The lease may be executed before approval; however, if the ~~state board of tax commissioners~~ **department of local government finance** does not approve the lease, it is void. The ~~state board of tax commissioners~~ **department of local government finance** may not approve the lease under IC 6-3.5-1.1-8 unless it finds that the condition prescribed in subsection (c) is satisfied.

(e) All net revenues of the leased building, together with any other funds made available for the payment of lease rental, shall be transferred at least annually by the lessee to a fund for payment of lease rental.

SECTION 528. IC 36-10-11-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) Ten (10) or more taxpayers whose tax rate will be affected by the lease may file a petition in the office of the county auditor within thirty (30) days after publication of notice of the execution of the lease. The petition must set forth their objections and the facts showing:

(1) that the lease is unnecessary or unwise; or

(2) that the lease rental is not fair and reasonable.

(b) Upon the filing of a petition, the county auditor shall certify a copy, together with other data that is necessary in order to present the questions involved, to the ~~state board of tax commissioners.~~ **department of local government finance.** Upon receipt of a certified petition and information, the ~~state board of tax commissioners~~ **department of local government finance** shall set a time and place for the hearing of the matter. The hearing shall be held at least five (5) but not more than fifteen (15) days after receipt of the petition by the ~~state board.~~ **department of local government finance.** Notice of the hearing shall be given by the ~~state board~~ **department of local government finance** to the governmental entity and to the first ten (10) petitioners at least five (5) days before the date of the hearing. The hearing shall determine the necessity of the lease and whether the lease rental is fair and reasonable.

SECTION 529. IC 36-10-11-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. An action to contest the validity of the lease or to enjoin the performance of the lease may not be brought later than thirty (30) days after publication of

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notice of the execution of the lease or thirty (30) days after the decision of the ~~state board of tax commissioners,~~ **department of local government finance,** whichever is later.

SECTION 530. THE FOLLOWING ARE REPEALED [EFFECTIVE UPON PASSAGE]: IC 6-1.1-8.5-4; IC 12-7-2-187.

SECTION 531. [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)] **A reference to the state board of tax commissioners is considered to be a reference to the department of local government finance if the reference is contained in a statute that:**

(1) was enacted before January 1, 2002;

(2) has not been codified as part of the Indiana Code; and

(3) requires the state board of tax commissioners to take an action after December 31, 2001.

SECTION 532. **An emergency is declared for this act.**

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SENATE MOTION

Mr. President: I move that Senate Bill 357, currently assigned to the Committee on Judiciary, be reassigned to the Committee on Rules and Legislative Procedure.

GARTON

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COMMITTEE REPORT

Mr. President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 357, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 357 as introduced.)

GARTON, Chairperson

Committee Vote: Yeas 8, Nays 0.

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