
SENATE BILL No. 77

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-4; IC 4-13.5-4-6; IC 5-1; IC 5-1.4-9-9; IC 5-1.5-9-9; IC 5-2-2-14; IC 5-20-2-14; IC 5-21-2-15; IC 6-4.1; IC 6-8-5-1; IC 6-8.1-1-1; IC 8-1-2.2-21; IC 8-10-1-27; IC 8-14.5-6-12; IC 8-21-9-31; IC 8-22; IC 14-13; IC 14-14-1-46; IC 15-1.5-9-9; IC 16-22; IC 20-12-63-27; IC 20-14-10-14; IC 21-5-11-14; IC 21-9-7-3; IC 27-1; IC 28-5-2-2; IC 29-1; IC 29-3-3-3; IC 30-4-1-2; IC 33-19-5-6; IC 34-24; IC 36-7; IC 36-9; IC 36-10.

Synopsis: Elimination of inheritance tax. Provides that the state inheritance tax does not apply to property interest transfers from the estate of a person who dies after June 30, 2003. Amends the Indiana estate tax formula and provides that the amended formula applies to the estate of a person who dies after June 30, 2003. Terminates the inheritance tax effective July 1, 2005. Makes conforming amendments.

Effective: July 1, 2003.

Ford

January 7, 2003, read first time and referred to Committee on Finance.

C
O
P
Y



First Regular Session 113th General Assembly (2003)

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 2002 Regular or Special Session of the General Assembly.

C
o
p
y

SENATE BILL No. 77



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

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

1 SECTION 1. IC 4-4-11-36.1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 36.1. (a) Except as
3 provided in subsections (b) through (c), all property, both tangible and
4 intangible, acquired or held by the authority under this chapter,
5 IC 4-4-21, or IC 15-7-5 is declared to be public property used for
6 public and governmental purposes, and all such property and income
7 therefrom shall at all times be exempt from all taxes imposed by this
8 state, any county, any city, or any other political subdivision of this
9 state, except for the financial institutions tax imposed under IC 6-5.5
10 or a **state inheritance death** tax imposed under IC 6-4.1.

11 (b) Property owned by the authority and leased to a person for an
12 industrial development project is not public property. The property and
13 the industrial development project are subject to all taxes of the state
14 or any county, city, or other political subdivision of the state in the
15 same manner and subject to the same exemptions as are applicable to
16 all persons.

17 (c) Any industrial development project financed by a loan under the



1 authority of this chapter shall not be considered public property and
 2 shall not be exempt from any taxes of this state, or any county, city, or
 3 other political subdivision thereof, except for pollution control
 4 equipment.

5 (d) An agricultural enterprise or rural development project financed
 6 by a loan under the authority of this chapter or IC 15-7-5 shall not be
 7 considered public property and shall not be exempt from Indiana taxes
 8 or any county, city, or other political subdivision of the state.

9 (e) This section does not provide a tax exemption for a financial
 10 institution that receives a guaranteed participating loan or an exporter
 11 that receives an eligible export loan or performance bond guarantee
 12 under this chapter or IC 4-4-21.

13 SECTION 2. IC 4-4-11.2-29 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 29. All property of the
 15 authority is public property devoted to an essential public and
 16 governmental function and purpose and is exempt from all taxes and
 17 special assessments, direct or indirect, of the state or a political
 18 subdivision of the state. All bonds issued under this chapter are issued
 19 by a body corporate and public of the state, but not a state agency, and
 20 for an essential public and governmental purpose, and the bonds, the
 21 interest thereon, the proceeds received by a holder from the sale of the
 22 bonds to the extent of the holder's cost of acquisition, proceeds
 23 received upon redemption prior to maturity, and proceeds received at
 24 maturity and the receipt of the interest and proceeds shall be exempt
 25 from taxation in the state for all purposes except a ~~state inheritance~~
 26 **death** tax imposed under IC 6-4.1.

27 SECTION 3. IC 4-13.5-4-6 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) All property of
 29 the commission is public property devoted to an essential public and
 30 governmental function and purpose and is exempt from all taxes and
 31 special assessments of the state or a political subdivision of the state.

32 (b) All bonds or loan contracts issued under this article are issued
 33 by a body corporate and politic of this state, but not a state agency, and
 34 for an essential public and governmental purpose, and the bonds and
 35 loan contracts, the interest thereon, the proceeds received by a holder
 36 from the sale of the bonds or loan contracts to the extent of the holder's
 37 cost of acquisition, proceeds received upon redemption before
 38 maturity, proceeds received at maturity, and the receipt of the interest
 39 and proceeds are exempt from taxation for all purposes except the
 40 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
 41 **death** tax imposed under IC 6-4.1.

42 SECTION 4. IC 5-1-4-26 IS AMENDED TO READ AS FOLLOWS



C
o
p
y

1 [EFFECTIVE JULY 1, 2003]: Sec. 26. The exercise of the powers
 2 granted by this chapter will be in all respects for the benefit of the
 3 people of the state, for the increase of their commerce and prosperity,
 4 and for the improvement of their health and living conditions, and as
 5 the operation and maintenance of a project by an authority or its agent
 6 will constitute the performance of essential governmental functions,
 7 such authority shall not be required to pay any taxes or assessments
 8 upon or in respect of a project or any property acquired or used by such
 9 authority under the provisions of this chapter, or upon the income
 10 therefrom, and the bonds issued under the provisions of this chapter,
 11 the interest thereon, the proceeds received by a holder from the sale of
 12 such bonds to the extent of the holder's cost of acquisition, or proceeds
 13 received upon redemption prior to maturity or proceeds received at
 14 maturity, and the receipt of such interest and proceeds shall be exempt
 15 from taxation in the state of Indiana for all purposes except the
 16 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
 17 **death** tax imposed under IC 6-4.1.

18 SECTION 5. IC 5-1-6-10 IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2003]: Sec. 10. The refunding bonds and the
 20 income therefrom shall be exempt from taxation, except the financial
 21 institutions tax and ~~inheritance, estate and transfer death~~ taxes
 22 **imposed under IC 6-4.1.**

23 SECTION 6. IC 5-1.4-9-9 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. All property of the
 25 bank is public property devoted to an essential public and
 26 governmental function and purpose and is exempt from all taxes and
 27 special assessments of the state or a political subdivision of the state.
 28 All bonds or notes issued under this article are issued by a body
 29 corporate and public of this state, but not a state, city, or county agency,
 30 and for an essential public and governmental purpose. The bonds and
 31 notes, the interest thereon, the proceeds received by a holder from the
 32 sale of the bonds or notes to the extent of the holder's cost of
 33 acquisition, proceeds received upon redemption before maturity,
 34 proceeds received at maturity, and the receipt of the interest and
 35 proceeds shall be exempt from taxation in the state for all purposes
 36 except the financial institutions tax imposed under IC 6-5.5 or a ~~state~~
 37 **inheritance death** tax imposed under IC 6-4.1.

38 SECTION 7. IC 5-1.5-9-9 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. All property of the
 40 bank is public property devoted to an essential public and
 41 governmental function and purpose and is exempt from all taxes and
 42 special assessments, direct or indirect, of the state or a political



C
o
p
y

1 subdivision of the state. All bonds or notes issued under this article are
 2 issued by a body corporate and public of this state, but not a state
 3 agency, and for an essential public and governmental purpose and the
 4 bonds and notes, the interest thereon, the proceeds received by a holder
 5 from the sale of the bonds or notes to the extent of the holder's cost of
 6 acquisition, proceeds received upon redemption prior to maturity, ~~and~~
 7 proceeds received at maturity, and the receipt of the interest and
 8 proceeds shall be exempt from taxation in the state for all purposes
 9 except the financial institutions tax imposed under IC 6-5.5 or a ~~state~~
 10 ~~inheritance~~ **death** tax imposed under IC 6-4.1.

11 SECTION 8. IC 5-2-2-14 IS AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2003]: Sec. 14. (a) For the purpose of providing
 13 funds to carry out the provisions of this chapter with respect to the
 14 construction and equipment of a building or buildings for use as a law
 15 enforcement academy and acquiring or providing a site therefor, the
 16 commission is authorized pursuant to resolution or resolutions to issue
 17 and sell interest bearing law enforcement academy revenue debentures
 18 in any amount not to exceed three million two hundred thousand
 19 dollars (\$3,200,000) and bearing such date or dates, and maturing at
 20 such time or times not exceeding forty (40) years from their respective
 21 dates, bearing interest at such rate or rates payable semiannually, in
 22 such form, carrying such registration privileges payable at such place
 23 or places, and may be made subject to redemption prior to maturity in
 24 such manner, at such time, and upon such terms with or without
 25 premium, all as may be provided by the pertinent resolution and
 26 expressed on the face of the respective debentures. Such debentures
 27 shall be signed by the chairman of the commission, attested by the
 28 secretary, and with the seal of said commission affixed, provided, that
 29 the signature of the chairman may be a facsimile thereof imprinted
 30 thereon. Interest on said debentures when issued shall be evidenced by
 31 attached interest coupons bearing the facsimile of the signatures of said
 32 chairman and secretary. Such debentures and the interest coupons
 33 thereto attached when issued shall have all the qualities of negotiable
 34 instruments under the law merchant and shall be incontestable in the
 35 hands of a bona fide purchaser or holder thereof for value, and such
 36 debentures and interest thereon shall be exempt from all taxation
 37 except the financial institutions tax and ~~estate, inheritance, or gift~~
 38 **death** taxes ~~now or hereafter imposed by law: under IC 6-4.1.~~ Such
 39 debentures shall be sold at public sale in accordance with the
 40 provisions of IC 4-1-5. In determining the amount of such debentures
 41 to be issued and sold there may be included the cost of construction,
 42 the cost of all land and clearings thereof and improvements thereto,

C
o
p
y



1 including walks, drives, and other appurtenances, material and labor
2 which are deemed necessary, cost of equipment, financing charges,
3 interest accruing on the debentures prior to and during the construction
4 period, and all other expenses, including legal fees, engineers' and
5 architects' fees, and all other expenses necessary or incident to the
6 construction and equipment of the building or buildings and the
7 acquisition and providing a site therefor. The proceeds of such
8 debentures are hereby appropriated for the purpose for which the
9 debentures may be issued under this chapter and such proceeds shall
10 be deposited and disbursed in accordance with such provisions and
11 restrictions as the commission may provide in the resolution
12 authorizing the issuance thereof. Any debentures issued under the
13 provisions of this chapter may be thereafter refinanced through the
14 issuance of refunding debentures subject to such restrictions or
15 conditions as may be provided in the resolution authorizing the
16 issuance of such debentures in the first instance and in the issuance of
17 such refunding debentures, the maturities and other details thereof, the
18 rights of the holders thereof, and the rights, duties, and obligations of
19 the commission in all respects thereto shall be governed by the
20 provisions of this chapter insofar as the same may be applicable.

21 (b) The debentures issued under the provisions of this chapter shall
22 constitute only the corporate obligations of said commission payable
23 solely and only from and secured exclusively by pledge of the income
24 and revenue of such building or buildings remaining after payment or
25 provisions for payment of the expenses of operation, maintenance, and
26 repair of said building or buildings to the extent such expenses of
27 operation, maintenance, and repair are not otherwise provided, and it
28 shall be plainly stated on the face of each such debenture that same
29 does not constitute an indebtedness of the state of Indiana within the
30 meaning or application of any constitutional provision or limitation but
31 that it is payable solely and only as to both principal and interest from
32 the net revenues of such building or buildings. The provisions of this
33 chapter and the covenants and undertakings of the commission as
34 expressed in any proceedings preliminary to or in connection with the
35 issuance of the debentures may be enforced by any debenture holder by
36 suit for injunction or mandamus against the commission or any officer,
37 agent, or employee thereof, but in no event can any suit for monetary
38 judgement be brought against the state of Indiana for any violations
39 under the provisions of this chapter.

40 SECTION 9. IC 5-20-2-14 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 14. All bonds and
42 interim receipts or certificates, proceeds received by a holder from the



C
o
p
y

1 sale of them to the extent of the holder's cost of acquisition, proceeds
 2 received upon redemption prior to maturity, proceeds received at
 3 maturity, and interest thereon, are exempt from taxation in the state of
 4 Indiana for all purposes except the financial institutions tax imposed
 5 under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

6 SECTION 10. IC 5-21-2-15 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. (a) All property of
 8 the commission is public property devoted to an essential public and
 9 governmental function and purpose and is exempt from all taxes and
 10 special assessments of the state or a political subdivision of the state.

11 (b) All bonds or loan contracts issued under this article are issued
 12 by a body corporate and politic of this state, but not a state agency, and
 13 for an essential public and governmental purpose. The bonds and loan
 14 contracts, the interest on them, the proceeds received by a holder from
 15 the sale of the bonds or loan contracts to the extent of the holder's cost
 16 of acquisition, proceeds received upon redemption before maturity,
 17 proceeds received at maturity, and the receipt of the interest and
 18 proceeds are exempt from taxation for all purposes except the financial
 19 institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax
 20 imposed under IC 6-4.1.

21 SECTION 11. IC 6-4.1-1-2 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. **(a) This section**
 23 **expires July 1, 2005.**

24 **(b)** "Appropriate probate court" means the probate court which has
 25 jurisdiction over the determination of the inheritance tax imposed as a
 26 result of a resident decedent's death.

27 SECTION 12. IC 6-4.1-1-3 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. **(a) This section**
 29 **expires July 1, 2005.**

30 **(b)** "Class A transferee" means a transferee who is a lineal ancestor
 31 or lineal descendant of the transferor.

32 ~~(b)~~ **(c)** "Class B transferee" means a transferee who is a:

- 33 (1) brother or sister of the transferor;
- 34 (2) descendant of a brother or sister of the transferor; or
- 35 (3) spouse, widow, or widower of a child of the transferor.

36 ~~(c)~~ **(d)** "Class C transferee" means a transferee, except a surviving
 37 spouse, who is neither a Class A nor a Class B transferee.

38 ~~(d)~~ **(e)** For purposes of this section, a legally adopted child is to be
 39 treated as if he were the natural child of his adopting parent. For
 40 purposes of this section, if a relationship of loco parentis has existed for
 41 at least ten (10) years and if the relationship began before the child's
 42 fifteenth birthday, the child is to be considered the natural child of the

C
o
p
y



1 loco parentis parent.

2 SECTION 13. IC 6-4.1-1-14 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 14. **(a) This section**
4 **expires July 1, 2005.**

5 **(b) "Taxable transfer"** means a property interest transfer which is
6 described in clauses (1) and (2) of IC 6-4.1-2-1 and which is not
7 exempt from the inheritance tax under sections 1 through 7 of
8 IC 6-4.1-3.

9 SECTION 14. IC 6-4.1-2-0.5 IS ADDED TO THE INDIANA
10 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2003]: **Sec. 0.5. (a) Beginning July 1, 2003,**
12 **this chapter does not apply to a property interest transferred from**
13 **the estate of a person whose death occurs after June 30, 2003.**

14 **(b) This chapter expires July 1, 2005.**

15 SECTION 15. IC 6-4.1-3-0.5 IS ADDED TO THE INDIANA
16 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
17 [EFFECTIVE JULY 1, 2003]: **Sec. 0.5. (a) Beginning July 1, 2003,**
18 **this chapter does not apply to a property interest transferred from**
19 **the estate of a person whose death occurs after June 30, 2003.**

20 **(b) This chapter expires July 1, 2005.**

21 SECTION 16. IC 6-4.1-4-0.2 IS ADDED TO THE INDIANA
22 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
23 [EFFECTIVE JULY 1, 2003]: **Sec. 0.2. (a) Beginning July 1, 2003,**
24 **this chapter does not apply to a property interest transferred from**
25 **the estate of a person whose death occurs after June 30, 2003.**

26 **(b) This chapter expires July 1, 2005.**

27 SECTION 17. IC 6-4.1-5-0.5 IS ADDED TO THE INDIANA
28 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
29 [EFFECTIVE JULY 1, 2003]: **Sec. 0.5. (a) Beginning July 1, 2003,**
30 **this chapter does not apply to a property interest transferred from**
31 **the estate of a person whose death occurs after June 30, 2003.**

32 **(b) This chapter expires July 1, 2005.**

33 SECTION 18. IC 6-4.1-6-0.5 IS ADDED TO THE INDIANA
34 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
35 [EFFECTIVE JULY 1, 2003]: **Sec. 0.5. (a) Beginning July 1, 2003,**
36 **this chapter does not apply to a property interest transferred from**
37 **the estate of a person whose death occurs after June 30, 2003.**

38 **(b) This chapter expires July 1, 2005.**

39 SECTION 19. IC 6-4.1-7-0.5 IS ADDED TO THE INDIANA
40 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
41 [EFFECTIVE JULY 1, 2003]: **Sec. 0.5. (a) Beginning July 1, 2003,**
42 **this chapter does not apply to a property interest transferred from**

C
o
p
y



1 **the estate of a person whose death occurs after June 30, 2003.**

2 **(b) This chapter expires July 1, 2005.**

3 SECTION 20. IC 6-4.1-8-0.5 IS ADDED TO THE INDIANA
4 CODE AS A NEW SECTION TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2003]: **Sec. 0.5. (a) Beginning July 1, 2003,**
6 **this chapter does not apply to a property interest transferred from**
7 **the estate of a person whose death occurs after June 30, 2003.**

8 **(b) This chapter expires July 1, 2005.**

9 SECTION 21. IC 6-4.1-9-0.5 IS ADDED TO THE INDIANA
10 CODE AS A NEW SECTION TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2003]: **Sec. 0.5. (a) Beginning July 1, 2003,**
12 **this chapter does not apply to a property interest transferred from**
13 **the estate of a person whose death occurs after June 30, 2003.**

14 **(b) This chapter expires July 1, 2005.**

15 SECTION 22. IC 6-4.1-10-0.5 IS ADDED TO THE INDIANA
16 CODE AS A NEW SECTION TO READ AS FOLLOWS
17 [EFFECTIVE JULY 1, 2003]: **Sec. 0.5. (a) Beginning July 1, 2003,**
18 **this chapter does not apply to a property interest transferred from**
19 **the estate of a person whose death occurs after June 30, 2003.**

20 **(b) This chapter expires July 1, 2005.**

21 SECTION 23. IC 6-4.1-11-2 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 2. (a) This section**
23 **applies to the estate of a person whose death occurs before July 1,**
24 **2003.**

25 **(b) The Indiana estate tax is the amount determined in STEP FOUR**
26 **of the following formula:**

27 STEP ONE: Divide:

- 28 (A) the value of the decedent's Indiana gross estate; by
29 (B) the value of the decedent's total gross estate for federal
30 estate tax purposes.

31 STEP TWO: Multiply:

- 32 (A) the quotient determined under STEP ONE; by
33 (B) the federal state death tax credit allowable against the
34 decedent's federal estate tax.

35 The product is the Indiana portion of the federal state death tax
36 credit.

37 STEP THREE: Subtract:

- 38 (A) the amount of all Indiana inheritance taxes actually paid
39 as a result of the decedent's death; from
40 (B) the product determined under STEP TWO.

41 STEP FOUR: Determine the greater of the following:

- 42 (A) The remainder determined under STEP THREE.

C
o
p
y



1 (B) Zero (0).

2 ~~(b)~~ (c) For purposes of this section, the value of a nonresident
3 decedent's Indiana gross estate equals the total fair market value on the
4 appraisal date of tangible personal property and real estate which had
5 an actual situs in Indiana at the time of the decedent's death and which
6 is included in the decedent's gross estate for federal estate tax purposes
7 under Sections 2031 through 2044 of the Internal Revenue Code.

8 ~~(c)~~ (d) For purposes of this section, the value of a resident
9 decedent's Indiana gross estate equals the total fair market value on the
10 appraisal date of personal property and real estate that had an actual
11 situs in Indiana at the time of the decedent's death and all intangible
12 personal property wherever located that is included in the decedent's
13 gross estate for federal estate tax purposes.

14 ~~(d)~~ (e) For purposes of this section, the value of a resident or
15 nonresident decedent's total gross estate for federal estate tax purposes
16 equals the total fair market value on the appraisal date of the property
17 included in the decedent's gross estate for federal estate tax purposes
18 under Sections 2031 through 2044 of the Internal Revenue Code.

19 ~~(e)~~ (f) For purposes of determining the value of a decedent's Indiana
20 gross estate and the decedent's total gross estate, the appraisal date for
21 each property interest is the date on which the property interest is
22 valued for federal estate tax purposes.

23 ~~(f)~~ (g) The estate tax does not apply to a property interest transfer
24 made by a resident decedent if the interest transferred is in:

- 25 (1) real property located outside Indiana, regardless of whether
26 the property is held in a trust or whether the trustee is required to
27 distribute the property in-kind; or
28 (2) real property located in Indiana, if:

29 (A) the real property was transferred to an irrevocable trust
30 during the decedent's lifetime;

31 (B) the transfer to the trust was not made in contemplation of
32 the transferor's death, as determined under IC 6-4.1-2-4; and

33 (C) the decedent does not have a retained interest in the trust.

34 SECTION 24. IC 6-4.1-11-2.5 IS ADDED TO THE INDIANA
35 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
36 [EFFECTIVE JULY 1, 2003]: **Sec. 2.5. (a) This section applies to the**
37 **estate of a person whose death occurs after June 30, 2003.**

38 **(b) The Indiana estate tax is the amount determined in STEP**
39 **THREE of the following formula:**

40 **STEP ONE: Divide:**

41 **(A) the value of the decedent's Indiana gross estate; by**

42 **(B) the value of the decedent's total gross estate for federal**

C
o
p
y



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

estate tax purposes.

STEP TWO: Multiply:

(A) the quotient determined under STEP ONE; by

(B) the federal state death tax credit allowable against the decedent's federal estate tax.

The product is the Indiana portion of the federal state death tax credit.

STEP THREE: Determine the greater of the following:

(A) The product determined under STEP TWO.

(B) Zero (0).

(c) If the federal estate tax imposed under Section 2001 of the Internal Revenue Code is repealed before the date of the individual's death, the amount of the Indiana estate tax is zero dollars (\$0).

(d) For purposes of this section, the value of a nonresident decedent's Indiana gross estate equals the total fair market value on the appraisal date of tangible personal property and real estate that had an actual situs in Indiana at the time of the individual's death and that is included in the decedent's gross estate for federal estate tax purposes under Sections 2031 through 2044 of the Internal Revenue Code.

(e) For purposes of this section, the value of a resident decedent's Indiana gross estate equals the total fair market value on the appraisal date of personal property and real estate that had an actual situs in Indiana at the time of the individual's death and all intangible personal property wherever located that is included in the decedent's gross estate for federal estate tax purposes.

(f) For purposes of this section, the value of a resident or nonresident decedent's total gross estate for federal estate tax purposes equals the total fair market value on the appraisal date of the property included in the decedent's gross estate for federal estate tax purposes under Sections 2031 through 2044 of the Internal Revenue Code.

(g) For purposes of determining the value of a decedent's Indiana gross estate and the decedent's total gross estate, the appraisal date for each property interest is the date on which the property interest is valued for federal estate tax purposes.

(h) The estate tax does not apply to a property interest transfer made by a resident decedent if the interest transferred is in:

(1) real property located outside Indiana, regardless of whether the property is held in a trust or whether the trustee is required to distribute the property in-kind; or

C
o
p
y



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

- (2) real property located in Indiana, if:**
 - (A) the real property was transferred to an irrevocable trust during the decedent's lifetime;**
 - (B) the transfer to the trust was not made in contemplation of the transferor's death, as determined under subsection (i); and**
 - (C) the decedent does not have a retained interest in the trust.**

(i) A transfer is presumed to have been made in contemplation of the transferor's death if it is made within one (1) year before the transferor's death. However, the presumption is rebuttable.

SECTION 25. IC 6-4.1-12-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. **(a) This section expires July 1, 2005.**

(b) The probate court of the county:

- (1) in which a resident decedent was domiciled at the time of the decedent's death; or
- (2) in which the resident decedent's estate is being administered, if different from the county described in subdivision (1);

has jurisdiction to determine the inheritance tax imposed as a result of the resident decedent's death and to hear all matters related to the tax determination. However, if two (2) or more courts in a county have probate jurisdiction, the first court acquiring jurisdiction under this article acquires exclusive jurisdiction over the inheritance tax determination.

SECTION 26. IC 6-4.1-12-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. **(a) This section expires July 1, 2005.**

(b) Each county assessor shall serve as the county inheritance tax appraiser for the county he serves. However, the appropriate probate court shall appoint a competent and qualified resident of the county to appraise property transferred by a resident decedent if the county assessor is:

- (1) beneficially interested as an heir of the decedent's estate;
- (2) the personal representative of the decedent's estate; or
- (3) related to the decedent or a beneficiary of the decedent's estate within the third degree of consanguinity or affinity.

A person who is appointed to act as the county inheritance tax appraiser under this section shall receive a fee for his services. The court, subject to the approval of the department of state revenue, shall set the fee.

SECTION 27. IC 6-4.1-12-4 IS AMENDED TO READ AS

C
o
p
y



1 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. **(a) This section**
2 **expires July 1, 2005.**

3 **(b)** The county assessor shall receive funds from the county to pay
4 the actual cost of equipment which he needs to perform the duties
5 assigned to him under this article.

6 SECTION 28. IC 6-4.1-12-6 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. The department of
8 state revenue:

- 9 (1) shall supervise the enforcement of this article;
- 10 (2) shall supervise the collection of taxes imposed under this
11 article;
- 12 (3) shall investigate the manner in which this article is
13 administered and enforced in the various counties of this state;
- 14 (4) shall provide the forms and books required to implement this
15 article;
- 16 (5) shall promulgate any rules or regulations which are necessary
17 for the interpretation or the enforcement of this article;
- 18 (6) may investigate any facts or circumstances which are relevant
19 to the taxes imposed under this article;
- 20 (7) shall provide the inheritance tax administrator with a secretary
21 **(until the elimination of the office of inheritance tax**
22 **administrator);** and
- 23 (8) may provide the inheritance tax administrator with assistants,
24 clerks, or stenographers **(until the elimination of the office of**
25 **inheritance tax administrator).**

26 SECTION 29. IC 6-4.1-12-8 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. **(a) This section**
28 **expires July 1, 2005.**

29 **(b)** The governor shall, with the advice of the department of state
30 revenue, appoint a state inheritance tax administrator. The inheritance
31 tax administrator shall receive a salary to be fixed in the manner
32 prescribed in IC 4-12-1-13. In addition, he shall receive the same
33 mileage and travel allowances which other state employees receive.

34 SECTION 30. IC 6-4.1-12-9 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. **(a) This section**
36 **expires July 1, 2005.**

- 37 **(b)** The inheritance tax administrator:
- 38 (1) shall supervise the administration of this article;
- 39 (2) shall, on behalf of the department of state revenue, perform
40 the administrative duties assigned to the department under this
41 article;
- 42 (3) shall file reports with the department of state revenue on the

C
o
p
y



1 first day of January, April, July, and October of each year;

2 (4) may, with the approval of the governor, employ special
3 auditors or appraisers to appraise any property interest which is
4 transferred by a decedent under a taxable transfer; and

5 (5) may, with the approval of the governor, employ special
6 counsel to advise the administrator or to represent the
7 administrator or the department of state revenue in any
8 proceeding initiated by or against the administrator or the
9 department.

10 SECTION 31. IC 6-4.1-12-10 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. **(a) This section
12 expires July 1, 2005.**

13 **(b)** A special auditor, appraiser, or counsel appointed by the
14 inheritance tax administrator under section 9 of this chapter shall
15 receive compensation for his services in an amount fixed by the
16 administrator and the governor. When a claim for the compensation is
17 approved by the administrator and the governor, the state auditor shall
18 issue a warrant to the claimant in the amount so approved. The state
19 auditor shall draw the warrant on taxes collected under this article. The
20 state treasurer shall pay the warrant.

21 SECTION 32. IC 6-4.1-12-11 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 11. The department of
23 state revenue and the inheritance tax administrator **(until the
24 elimination of the office of inheritance tax administrator)** shall
25 gather information and make investigations concerning the estates of
26 non-residents whose deaths result in the imposition of a tax under this
27 article.

28 SECTION 33. IC 6-4.1-12-12 IS AMENDED TO READ AS
29 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12. (a) The department,
30 the department's counsel, agents, clerks, stenographers, other
31 employees, or former employees, or any other person who gains access
32 to the inheritance tax files shall not divulge any information disclosed
33 by the documents required to be filed under this article. However,
34 disclosure may be made in the following cases:

- 35 (1) To comply with an order of a court.
36 (2) To the members and employees of the department.
37 (3) To the members and employees of county offices and courts
38 to the extent they need the information for inheritance tax
39 purposes. IC 5-14-3-6.5 does not apply to this subdivision.
40 (4) To the governor.
41 (5) To the attorney general.
42 (6) To any other legal representative of the state in any action

C
o
p
y



1 pertaining to the tax due under this article.

2 (7) To any authorized officer of the United States, when the
3 recipient agrees that the information is confidential and will be
4 used solely for official purposes.

5 (8) Upon the receipt of a certified request, to any designated
6 officer of a tax department of any other state, district, territory, or
7 possession of the United States, when the state, district, territory,
8 or possession permits the exchange of like information with the
9 taxing officials of Indiana and when the recipient agrees that the
10 information is confidential and will be used solely for tax
11 collection purposes.

12 (9) Upon receipt of a written request, to the director of the
13 division of family and children and to any county director of
14 family and children, when the recipient agrees that the
15 information is confidential and will be used only in connection
16 with their official duties.

17 (10) To the attorney listed on the inheritance tax return under
18 IC 6-4.1-4-1 **(before its expiration July 1, 2005)** or IC 6-4.1-4-7
19 **(before its expiration July 1, 2005)**.

20 (11) To a devisee, an heir, a successor in interest, or a surviving
21 joint tenant of the decedent for whom an inheritance tax return
22 was filed or, upon the receipt of a written request, to an agent or
23 attorney of a devisee, an heir, a successor in interest, or a
24 surviving joint tenant of the decedent.

25 (b) Any person who knowingly violates this section:

26 (1) commits a Class C misdemeanor; and

27 (2) shall be immediately dismissed from the person's office or
28 employment, if the person is an officer or employee of the state.

29 SECTION 34. IC 6-8-5-1 IS AMENDED TO READ AS FOLLOWS
30 [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) All bonds issued after March
31 11, 1959, or notes, warrants, or other evidences of indebtedness issued
32 in the state of Indiana by or in the name of any county, township, city,
33 incorporated town, school corporation, state educational institution or
34 state supported institution of higher learning, or any other political,
35 municipal, public or quasi-public corporation or body, or in the name
36 of any special assessment or taxing district or in the name of any
37 authorized body of any such corporation or district, the interest thereon,
38 the proceeds received by a holder from the sale of such obligations to
39 the extent of the holder's cost of acquisition, or proceeds received upon
40 redemption prior to maturity, or proceeds received at maturity, and the
41 receipt of such interest and proceeds, shall be exempt from taxation in
42 the state of Indiana for all purposes except a ~~state inheritance~~ **death tax**

C
o
p
y



1 imposed under IC 6-4.1.

2 (b) All bonds issued after March 11, 1933, and before March 12,
3 1959, by any municipality in this state under the provisions of any
4 statute whereby the terms thereof provide for the payment of such
5 bonds out of the funds derived from the revenues of any municipally
6 owned utility or which are to be paid by pledging the physical property
7 of any such municipally owned utility, or any bonds issued pledging
8 both the physical property and the revenues of such utility, or any
9 bonds issued for additions to or improvements to be made to such
10 municipally owned utility, or any bonds issued by any municipality to
11 be paid out of taxes levied by such municipality for the acquiring,
12 purchase, construction, or the reconstruction of a utility, or any part
13 thereof, shall be exempt from taxation for all purposes except a **death**
14 **state inheritance** tax imposed under IC 6-4.1.

15 (c) This section does not apply to measuring the franchise tax
16 imposed on the privilege of transacting the business of a financial
17 institution in Indiana under IC 6-5.5.

18 (d) No other statute exempting interest paid on debt obligations of:
19 (1) a state or local public entity, including an agency, a
20 government corporation, or an authority; or
21 (2) a corporation or other entity leasing real or personal property
22 to an entity described in subdivision (1);

23 applies to measuring of the franchise tax imposed on financial
24 institutions under IC 6-5.5.

25 SECTION 35. IC 6-8.1-1-1, AS AMENDED BY P.L.192-2002(ss),
26 SECTION 140, IS AMENDED TO READ AS FOLLOWS
27 [EFFECTIVE JULY 1, 2003]: Sec. 1. "Listed taxes" or "taxes" includes
28 only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the
29 riverboat admissions tax (IC 4-33-12); the riverboat wagering tax
30 (IC 4-33-13); the gross income tax (IC 6-2.1) (repealed); the utility
31 receipts tax (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5);
32 the adjusted gross income tax (IC 6-3); the supplemental net income
33 tax (IC 6-3-8) (repealed); the county adjusted gross income tax
34 (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county
35 economic development income tax (IC 6-3.5-7); the municipal option
36 income tax (IC 6-3.5-8); **state death taxes (IC 6-4.1)**; the auto rental
37 excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the
38 gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1);
39 the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1);
40 a motor fuel tax collected under a reciprocal agreement under
41 IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial
42 vehicle excise tax (IC 6-6-5.5); the hazardous waste disposal tax

C
o
p
y



1 (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax
 2 (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax
 3 (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise
 4 tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various
 5 innkeeper's taxes (IC 6-9); the various county food and beverage taxes
 6 (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil
 7 inspection fee (IC 16-44-2); the emergency and hazardous chemical
 8 inventory form fee (IC 6-6-10); the penalties assessed for oversize
 9 vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for
 10 overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage
 11 tank fee (IC 13-23); the solid waste management fee (IC 13-20-22);
 12 and any other tax or fee that the department is required to collect or
 13 administer.

14 SECTION 36. IC 8-1-2.2-21 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 21. Tax Exempt Status.
 16 Bonds, their transfer and the income therefrom (including any profit
 17 made on the sale thereof), shall at all times be free from taxation by the
 18 state or any political subdivision or any agency of either thereof,
 19 excepting ~~inheritance or gift~~ **death** taxes **imposed under IC 6-4.1.**

20 SECTION 37. IC 8-10-1-27 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 27. (a) The exercise of
 22 the powers granted by this chapter will be in all respects for the benefit
 23 of the people of the state, for the increase of their commerce and
 24 prosperity, and for the improvement of their health and living
 25 conditions.

26 (b) As the operation and maintenance of a port project by the
 27 commission will constitute the performance of essential governmental
 28 functions, the commission shall not be required to pay any taxes or
 29 assessments upon any port project or any property acquired or used by
 30 the commission under the provisions of this chapter or upon the income
 31 therefrom. The bonds issued by the commission, the interest thereon,
 32 the proceeds received by a holder from the sale of such bonds to the
 33 extent of the holder's cost of acquisition, or proceeds received upon
 34 redemption prior to maturity or proceeds received at maturity, and the
 35 receipt of such interest and proceeds shall be exempt from taxation in
 36 the state of Indiana for all purposes except the financial institutions tax
 37 imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under
 38 IC 6-4.1.

39 (c) Notwithstanding any other statute, a lessee's leasehold estate in
 40 land that is part of a port and that is owned by the state or the
 41 commission is exempt from property taxation.

42 SECTION 38. IC 8-14.5-6-12 IS AMENDED TO READ AS



C
o
p
y

1 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12. All bonds or notes
 2 issued under this article are issued by a body corporate and politic of
 3 this state, but not a state agency, and for an essential public and
 4 governmental purpose. The bonds and notes, the interest on the bonds
 5 and notes, the proceeds received by an owner from the sale of the
 6 bonds or notes to the extent of the owner's cost of acquisition, proceeds
 7 received upon redemption for maturity, proceeds received at maturity,
 8 and the receipt of the interest and proceeds are exempt from taxation
 9 for all purposes except the financial institutions tax imposed under
 10 IC 6-5.5 or a ~~state inheritance death~~ tax imposed under IC 6-4.1.

11 SECTION 39. IC 8-21-9-31, AS AMENDED BY P.L.192-2002(ss),
 12 SECTION 145, IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2003]: Sec. 31. (a) The exercise of the powers
 14 granted by this chapter will be in all respects for the benefit of the
 15 people of the state, for the increase of their commerce and prosperity,
 16 and for the improvement of their health and living conditions, and as
 17 the operation and maintenance of an airport facility or airport facilities
 18 by the department will constitute the performance of essential
 19 governmental functions, the department shall not be required to pay
 20 any taxes or assessments upon any airport facility or airport facilities
 21 or any property acquired or used by the department under the
 22 provisions of this chapter, or upon the income therefrom, and the bonds
 23 issued under the provisions of this chapter, the interest thereon, the
 24 proceeds received by a holder from the sale of such bonds to the extent
 25 of the holder's cost of acquisition, or proceeds received upon
 26 redemption prior to maturity or proceeds received at maturity, and the
 27 receipt of such interest and proceeds shall be exempt from taxation in
 28 the state of Indiana for all purposes except the financial institutions tax
 29 imposed under IC 6-5.5 or a ~~state inheritance death~~ tax imposed under
 30 IC 6-4.1.

31 (b) All properties both real and personal owned and operated by the
 32 department or leased by the department for proprietary purposes shall
 33 be assessed and added to the local tax rolls as any other private
 34 property. Such proprietary operations, under control of either the
 35 authority or a lessee of the department, shall be subject to Indiana
 36 adjusted gross income and sales tax laws.

37 SECTION 40. IC 8-22-3-17 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 17. (a) For the purpose
 39 of raising money to pay all bonds issued under section 16 of this
 40 chapter and any interest on them, the principal of and interest on any
 41 outstanding bonds or obligations payable from taxes and assumed
 42 under section 33 of this chapter, and leases entered into under

C
o
p
y



1 IC 8-22-3.6 that are payable in whole or in part from a property tax
2 levy, the board shall levy each year a special tax upon all of the
3 property, both real and personal, located within the district in a manner
4 and in an amount to meet and pay the principal of the bonds as they
5 severally mature, together with all interest accruing on them, and to pay
6 lease rentals as they become due, after taking into account all other
7 revenues pledged to the payment of the bonds or lease rentals.

8 (b) The board shall file the tax levied each year with the county
9 auditor of the county in which the district is located under IC 6-1.1-17.

10 (c) The tax levied shall be collected and enforced by the treasurer
11 of the county under IC 6-1.1, and as the tax is collected by the treasurer
12 of the county it shall be paid over to the treasurer of the authority. The
13 treasurer shall accumulate and keep the tax in a separate fund to be
14 known as the "airport authority bond fund", which shall be applied to
15 the payment of the bonds and the interest on them as they severally
16 mature and to the payment of lease rentals and to no other purposes.

17 (d) The bonds issued under this chapter and the interest on them are
18 exempt from taxation for all purposes except the financial institutions
19 tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed
20 under IC 6-4.1.

21 SECTION 41. IC 8-22-3-18.1 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 18.1. (a) The board
23 may:

- 24 (1) finance capital improvements, including the acquisition of real
25 estate;
- 26 (2) refund any bonds; or
- 27 (3) pay any loan contract;

28 by borrowing money and issuing revenue bonds from time to time
29 under this section.

30 (b) The issuance of revenue bonds must be authorized by ordinance
31 of the board in at least one (1) series, may bear a date or dates, may
32 mature at a time or times not exceeding forty (40) years from their
33 respective dates, may bear interest, may be in a denomination or
34 denominations, may be in a form, either coupon or registered, may
35 carry registration and conversion privileges, may be executed in a
36 manner, may be payable in a medium of payment and at a place or
37 places, may be subject to terms of redemption, with or without a
38 premium, may be declared or become due before the maturity date,
39 may provide for the replacement of mutilated, destroyed, stolen, or lost
40 bonds, may be authenticated in a manner and upon compliance with
41 conditions, and may contain other terms and covenants that the
42 ordinance of the board provides. Notwithstanding the form or tenor of

C
o
p
y



1 the bonds, and in the absence of express recitals on their faces that the
2 bonds are nonnegotiable, the bonds are negotiable instruments.

3 (c) The issuance of revenue bonds must be approved as follows:

4 (1) When the authority is established by an eligible entity, by the
5 entity's executive.

6 (2) When the authority is established by at least two (2) eligible
7 entities acting jointly, by the executive of each of those entities.

8 (3) When the authority was established under IC 19-6-2 (before
9 its repeal on April 1, 1980), by the executive of the consolidated
10 city.

11 (4) When the authority was established under IC 19-6-3 (before
12 its repeal on April 1, 1980), by the county fiscal body.

13 For purposes of this subsection, the entire legislative body of a town is
14 considered the executive of the town.

15 (d) The bonds must be executed in the name of the authority by the
16 president of the board and attested by the secretary, and interest
17 coupons may be executed by placing on the interest coupons the
18 facsimile signature of the president of the board. The bonds are valid
19 and binding obligations of the authority for all purposes,
20 notwithstanding that before delivery of the bonds any of the persons
21 whose signatures appear on the bonds have ceased to be officers of the
22 entity or authority, as if the persons had continued to be officers of the
23 entity and authority until after delivery. The validity of the
24 authorization and issuance of the bonds is not dependent on or affected
25 in any way by proceedings taken for the improvement for which the
26 bonds are to be issued, or by contracts made in connection with the
27 improvement. An ordinance authorizing revenue bonds must provide
28 that a revenue bond contain a recital that the bond is issued under this
29 chapter, and a bond containing the recital under authority of an
30 ordinance is considered valid and issued in conformity with this
31 chapter.

32 (e) At the discretion of the board, the revenue bonds shall be sold
33 either under the procedures for selling public bonds or at a negotiated
34 sale. The bonds may be sold in installments at different times, or an
35 entire issue or series may be sold or exchanged at one (1) time. Any
36 issue or series of the bond may be sold in part or sold in part in
37 installments at different times or at one (1) time.

38 (f) The bonds are special obligations of the authority and are
39 payable solely from and secured by a lien upon the revenues of all or
40 part of the facilities of the authority, as shall be more fully described in
41 the ordinance of the board authorizing the issuance of the bonds, and,
42 subject to the Constitution and to the prior or superior rights of any

C
O
P
Y



1 person, the board may by ordinance pledge and assign for the security
 2 of the bonds all or part of the gross or net revenues of the enterprise.
 3 (g) All bonds of the same issue shall be equally and ratably secured,
 4 without priority by reason of number, date of bonds, of sale, of
 5 execution, or of delivery, by a lien upon the revenues in accordance
 6 with this section and the ordinance authorizing the issuance of the
 7 bonds.
 8 (h) This chapter does not alter the rights granted to or the
 9 agreements made with the holders of any notes, bonds, or other
 10 obligations of the board outstanding on April 1, 1980.
 11 (i) The bonds, and interest on the bonds, are not a debt of the
 12 authority or the board, nor a charge, a lien, or an encumbrance, legal or
 13 equitable, upon property of the board, or upon income, receipts, or
 14 revenues of the board other than those revenues of the facilities that
 15 have been pledged to the payment of the bonds. Every bond must recite
 16 in substance that the bond, including interest, is payable solely from the
 17 revenues pledged to the bond's payment, and that the board is under no
 18 obligation to pay the bond, except from those revenues.
 19 (j) The bonds and the income from the bonds are exempt from
 20 taxation, except the financial institutions tax imposed under IC 6-5.5
 21 or a ~~state inheritance death~~ tax imposed under IC 6-4.1.
 22 (k) In order that the payment of the revenue bonds and the interest
 23 on the bonds be adequately secured, the board and its officers, agents,
 24 and employees shall:
 25 (1) pay or cause to be paid punctually the principal of every bond,
 26 and the interest on every bond, on the date or dates and at the
 27 place or places and in the manner and out of the funds mentioned
 28 in the bonds and in the attached coupons, in accordance with the
 29 ordinance authorizing their issuance;
 30 (2) operate the facilities of the authority, the revenues of which
 31 are pledged to the bonds, in an efficient and economical manner
 32 and establish, levy, maintain, and collect fees, tolls, rentals, rates,
 33 and other charges that may be necessary or proper, which must be
 34 at least sufficient after making due and reasonable allowance for
 35 contingencies and for a margin of error in the estimates:
 36 (A) to pay all current expenses of operation, maintenance, and
 37 repair of the facilities;
 38 (B) to pay the interest on and principal of the bonds as the
 39 bonds become due and payable;
 40 (C) to comply in all respects with the terms of the ordinance
 41 authorizing the issuance of bonds or any other contract or
 42 agreement with the holders of the bonds; and

C
o
p
y



- 1 (D) to meet any other obligations of the board that are charges,
- 2 liens, or encumbrances upon the revenues of the facilities;
- 3 (3) operate and maintain the facilities and every part of the
- 4 facilities in good working order and condition;
- 5 (4) preserve the security of the bonds and the rights of the holders,
- 6 and warrant and defend the rights against all claims and demands
- 7 of all persons;
- 8 (5) pay the lawful claims for labor, materials, and supplies, which,
- 9 if unpaid, might by law become a lien or charge upon the
- 10 revenues or part of the revenues, superior to the lien of the bonds,
- 11 or that might impair the security of the bonds, to the end that the
- 12 priority and security of the bonds be fully preserved;
- 13 (6) hold in trust the revenues pledged to the payment of the bonds
- 14 for the benefit of the holders of the bonds and apply the revenues
- 15 only as provided by the ordinance authorizing the issuance of the
- 16 bonds or, if the ordinance is modified, as provided in the
- 17 ordinance as modified; and
- 18 (7) keep proper books of record and accounts of the facilities
- 19 (separate from all other records and accounts) in which complete
- 20 and correct entries are made of all transactions relating to the
- 21 facilities or part of the facilities, the revenues of which are
- 22 pledged and that, together with all other books and papers of the
- 23 board, are at all times subject to the inspection of the holder or
- 24 holders of not less than ten percent (10%) of the bonds then
- 25 outstanding or the holder's or the holders' representative duly
- 26 authorized in writing.

27 None of the duties in this subsection require the expenditure in any
 28 manner or for any purpose by the board of any funds other than
 29 revenues received or receivable from the enterprise or facilities.

- 30 (I) The board may insert provisions in an ordinance or a resolution
- 31 authorizing the issuance of revenue bonds, which becomes a part of the
- 32 contract with the holders of the revenue bonds, as to:
- 33 (1) limitations on the purpose to which the proceeds of sale of any
- 34 issue of revenue bonds, or any notes, bonds, or other obligations
- 35 payable from the revenues to finance the improving of the
- 36 facilities may be applied;
- 37 (2) limitations on the issuance of additional bonds, or additional
- 38 notes, bonds, or other obligations to finance the improving of the
- 39 facilities, including liens;
- 40 (3) limitations on the right of the board to restrict and regulate the
- 41 use of the facilities;
- 42 (4) the amount and kind of insurance to be maintained on the

C
o
p
y



- 1 facilities and the use and disposition of insurance money;
- 2 (5) pledging all or part of the revenues of the facilities to which
- 3 the board's right exists;
- 4 (6) covenanting against pledging all or part of the revenues of the
- 5 facilities to which its right exists;
- 6 (7) events of default and terms and conditions upon which the
- 7 bonds become or may be declared due before maturity and as to
- 8 the terms and conditions upon which declaration and its
- 9 consequences may be waived;
- 10 (8) the rights, liabilities, powers, and duties arising upon the
- 11 breach by it of any covenants, conditions, or obligations;
- 12 (9) the vesting in a trust or trustees the right to enforce covenants
- 13 made to secure, to pay, or in relation to the bonds, as to the
- 14 powers and duties of the trustee or trustees, and the limitation of
- 15 liabilities, and as to the terms and conditions upon which the
- 16 holders of the bonds or any proportion or percentage of the
- 17 holders of the bonds may enforce any covenants made or duties
- 18 imposed under this chapter;
- 19 (10) a procedure by which the terms of an ordinance authorizing
- 20 revenue bonds, or any other contract with bondholders, such as an
- 21 indenture of trust or similar instrument, may be amended or
- 22 abrogated and as to the amount of bonds, the holders of which
- 23 must consent to them and the manner in which such consent may
- 24 be given;
- 25 (11) the execution of all instruments necessary or convenient in
- 26 the exercise of the powers granted by this chapter or in the
- 27 performance of the duties of the board and the officers, agents,
- 28 and employees of them;
- 29 (12) refraining from pledging, claiming, or taking the benefit or
- 30 advantage of any stay or extension law whenever enacted, which
- 31 may affect the duties or covenants of the board in relation to the
- 32 bonds, or the performance or the lien of the bonds;
- 33 (13) the purchase out of funds available, including the proceeds
- 34 of revenue bonds, of outstanding notes, bonds, or obligations and
- 35 the price or prices at which and the manner in which purchases
- 36 may be made; and
- 37 (14) other acts and things that may be necessary, convenient, or
- 38 desirable in order to secure the bonds, or that may tend to make
- 39 the bonds more marketable.
- 40 This section does not authorize the board to make covenants, to
- 41 perform an act, or to do anything that requires the expenditure by the
- 42 board of funds other than revenues received or receivable from the

COPY



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

facilities.

(m) In the event that the board defaults in the payment of the principal or interest on any of the revenue bonds after the bonds become due, whether at maturity or upon call for redemption, and the default continues for a period of thirty (30) days, or in the event that the board or the board's officers, agents, or employees fail or refuse to comply with this chapter or default in an agreement made with the holders of the bonds, any holder or holders of revenue bonds, or a trustee for the holder or holders of the bonds, has the right to apply in an appropriate judicial proceeding to the circuit or superior court of the county in which the district is situated, in which the facilities are located, or in any court of competent jurisdiction, for the appointment of a receiver of the facilities, whether or not the holder, holders, or trustee is seeking or has sought to enforce any other right or to exercise any remedy in connection with the bonds. Upon application, the circuit or superior court may appoint, and if the application is made by the holders of twenty-five percent (25%) in principal amount of the bonds then outstanding or by a trustee for holders of the bonds in that amount shall appoint, a receiver for the enterprise.

(n) The receiver appointed shall, directly or by the receiver's agents and attorneys, enter into and upon and take possession of the facilities, the revenues of which are pledged, and every part of the facilities, and may exclude the board, the board's officers, agents, and employees, and all persons claiming under them. The receiver may have, hold, use, operate, manage, and control the facilities in the name of the board or otherwise, as the receiver considers best, and may exercise all rights and powers of the board with respect to the facilities as the board itself might do. The receiver shall maintain, restore, and insure the facilities, shall make all necessary repairs, shall establish, levy, maintain, and collect fees, tolls, rentals, and other charges in connection with the facilities that the receiver considers necessary or proper and reasonable, and shall collect and receive all revenues, deposit the revenues in a separate account, and apply the revenues in the manner that the court directs.

(o) Whenever all that is due upon the revenue bonds and interest on the bonds, and upon other notes, bonds, or other obligations, and interest on the notes, bonds, or obligations, having a charge, lien, or encumbrance on the revenues of the facilities and under the terms of covenants or agreements with bondholders has been paid or deposited, and all defaults have been cured and made good, the court may in its discretion, and after notice and hearing that the court considers reasonable and proper, direct the receiver to surrender possession of

C
o
p
y



1 the facilities to the board, with the right of the holders of the bonds to
 2 secure the appointment of a receiver upon subsequent default
 3 remaining in force.

4 (p) The receiver shall act under the direction and supervision of the
 5 court making the appointment and is at all times subject to the orders
 6 and decrees of the court, including possible removal. Nothing
 7 contained in this section limits or restricts the jurisdiction of the court
 8 to enter other or further orders and decrees as the court considers
 9 necessary or appropriate for the exercise by the receiver of functions
 10 specifically set forth.

11 (q) Subject to contractual limitations binding upon the holders or a
 12 trustee of an issue of revenue bonds, including but not limited to the
 13 restrictions of the exercise of a remedy to a specified proportion or
 14 percentage of the holders, a holder or trustee of the bonds may, for the
 15 equal benefit and protection of all holders of revenue bonds similarly
 16 situated:

17 (1) by mandamus or other suit, action, or proceeding at law or in
 18 equity enforce rights against the board and any of the board's
 19 officers, agents, and employees and require and compel the board
 20 or the board's officers, agents, or employees to perform and carry
 21 out duties and obligations under this chapter and covenant
 22 agreements with bondholders;

23 (2) by action or suit in equity require the board to account as if the
 24 board were the trustee of an express trust;

25 (3) by action or suit in equity enjoin any acts or things that may be
 26 unlawful or in violation of the rights of the bondholders; or

27 (4) bring suit upon the bonds.

28 No remedy conferred by this chapter upon a holder or trustee of
 29 revenue bonds is intended to be exclusive of any other remedy, but
 30 each remedy is in addition to every other remedy and may be exercised
 31 without exhausting and without regard to any other remedy conferred
 32 by this chapter or by any other law. No waiver of a default or breach of
 33 duty or contract, whether by a holder or trustee of revenue bonds
 34 extends to or affects a subsequent default or breach of duty or contract
 35 or impairs any rights or remedies on them. No delay or omission of a
 36 bondholder or trustee extends to or affects a subsequent default or
 37 breach of duty or contract or impairs any rights or remedies. No delay
 38 or omission of a bondholder or trustee to exercise a right or power
 39 accruing upon default impairs the right or power or may be construed
 40 to be a waiver of the default or acquiescence in it. Every substantive
 41 right and every remedy conferred upon the holders of revenue bonds
 42 may be enforced and exercised from time to time and as often as is

C
o
p
y



1 expedient. In case any suit, action, or proceeding to enforce a right or
 2 exercise a remedy is brought or taken and then discontinued or
 3 abandoned, or is determined adversely to the holder or trustee of the
 4 revenue bonds, then the board and the holder or trustee shall be
 5 restored to their former positions and rights and remedies as if no suit,
 6 action, or proceeding had been brought or taken.

7 (r) Refunding or refunding and improvement revenue bonds may be
 8 issued in accordance with the provisions for the refinancing or
 9 refinancing and improving of any of the facilities for which revenue
 10 bonds or a loan contract have been issued or made under this section
 11 or section 19 of this chapter.

12 (s) This section constitutes full authority for the issuance of revenue
 13 bonds. No procedure, proceedings, publications, notices, consents,
 14 approvals, orders, acts, or things by the board, by a board, an officer,
 15 a commission, a department, an agency, or an instrumentality of the
 16 state, or by an eligible entity is required to issue revenue bonds or to do
 17 any act or perform anything under this chapter, except as presented by
 18 this chapter. The powers conferred by this chapter are in addition to,
 19 and not in substitution for, and the limitations imposed by this section
 20 do not affect the powers conferred in another section of this chapter or
 21 by any other statute.

22 SECTION 42. IC 8-22-3.7-21 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 21. (a) All:

- 24 (1) property owned by the development authority;
- 25 (2) revenues of the development authority; and
- 26 (3) bonds issued by the development authority, the interest on the
 27 bonds, the proceeds received by a holder from the sale of bonds
 28 to the extent of the holder's cost of acquisition, proceeds received
 29 upon redemption before maturity, proceeds received at maturity,
 30 and the receipt of interest in proceeds;

31 are exempt from taxation in Indiana for all purposes except the
 32 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
 33 **death** tax imposed under IC 6-4.1.

34 (b) All securities issued under this chapter are exempt from the
 35 registration requirements of IC 23-2-1 and other securities registration
 36 statutes.

37 SECTION 43. IC 14-13-1-38 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 38. (a) The commission
 39 is not required to pay any taxes or assessments upon any of the
 40 following:

- 41 (1) A project of the commission.
- 42 (2) A facility, betterment, or improvement within a project.



C
o
p
y

- 1 (3) Property acquired or used by the commission under this
- 2 chapter or IC 14-6-29 (before its repeal).
- 3 (4) The income or revenue from the property.
- 4 (b) The:
- 5 (1) bonds issued under this chapter or under IC 14-6-29 (before
- 6 its repeal);
- 7 (2) interest on the bonds;
- 8 (3) proceeds received by a holder from the sale of the bonds to the
- 9 extent of the holder's cost of acquisition;
- 10 (4) proceeds received upon redemption before maturity or
- 11 proceeds received at maturity; and
- 12 (5) receipt of interest and proceeds;

13 are exempt from taxation in Indiana for all purposes except the
 14 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
 15 **death** tax imposed under IC 6-4.1.

16 SECTION 44. IC 14-13-2-28 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 28. (a) The commission
 18 is not required to pay any taxes or assessments upon any of the
 19 following:

- 20 (1) A project of the commission.
- 21 (2) A facility, a betterment, or an improvement within a project.
- 22 (3) Property acquired or used by the commission under this
- 23 chapter or under IC 14-6-29.5 (before its repeal).
- 24 (4) The income or revenue from the property.
- 25 (b) The:
- 26 (1) bonds issued under this chapter or under IC 14-6-29.5 (before
- 27 its repeal);
- 28 (2) interest on the bonds;
- 29 (3) proceeds received by a holder from the sale of the bonds to the
- 30 extent of the holder's cost of acquisition;
- 31 (4) proceeds received upon redemption before maturity or
- 32 proceeds received at maturity; and
- 33 (5) receipt of interest and proceeds;

34 are exempt from taxation in Indiana for all purposes except the
 35 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
 36 **death** tax imposed under IC 6-4.1.

37 SECTION 45. IC 14-14-1-46 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 46. (a) The exercise of
 39 the powers granted by this chapter will be in all respects for the benefit
 40 of the people of Indiana and for the increase of their commerce, health,
 41 enjoyment, and prosperity. The operation and maintenance of a park
 42 project by the commission will constitute the performance of essential

C
O
P
Y



1 governmental functions.

2 (b) The commission is not required to pay taxes or assessments
3 upon a park project or property acquired or used by the commission
4 under this chapter or IC 14-3-12 (before its repeal) or upon the income
5 from the property. The following are exempt from taxation in Indiana
6 for all purposes except the financial institutions tax imposed under
7 IC 6-5.5 or a ~~state inheritance death~~ tax imposed under IC 6-4.1:

8 (1) Bonds issued under this chapter or under IC 14-3-12 (before
9 its repeal).

10 (2) Interest on the bonds.

11 (3) Proceeds:

12 (A) received by a holder from the sale of bonds to the extent
13 of the holder's cost of acquisition;

14 (B) received upon redemption before maturity; or

15 (C) received at maturity.

16 (4) Receipt of the interest and proceeds.

17 SECTION 46. IC 15-1.5-9-9 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. Interest paid on
19 bonds issued under this chapter is exempt from taxation for all
20 purposes, except ~~an inheritance a death~~ tax under IC 6-4.1 and for
21 determining financial institution tax liabilities under IC 6-5.5.

22 SECTION 47. IC 16-22-6-34 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 34. The following are
24 exempt from state taxation except for the financial institutions tax
25 imposed under IC 6-5.5 or a ~~state inheritance death~~ tax imposed under
26 IC 6-4.1:

27 (1) Property owned by the authority.

28 (2) Revenues of the authority.

29 (3) Bonds or other securities and the interest on bonds and
30 securities issued by the authority.

31 (4) Proceeds received by a holder from the sale of the bonds, to
32 the extent of the holder's cost of acquisition.

33 (5) Proceeds received upon redemption at or before maturity and
34 the interest on the proceeds.

35 SECTION 48. IC 16-22-7-39 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 39. The following are
37 exempt from state taxation except the financial institutions tax
38 **imposed under IC 6-5.5** and the ~~state inheritance tax death taxes~~
39 **imposed under IC 6-4.1:**

40 (1) All property owned by the authority.

41 (2) All revenues of the authority.

42 (3) All bonds or other securities issued by the authority and the

C
O
P
Y



1 interest on the bonds or other securities, the proceeds received by
2 a holder from the sale of bonds to the extent of the holder's cost
3 of acquisition, proceeds received upon redemption at or before
4 maturity, and the interest on the proceeds.

5 SECTION 49. IC 20-12-63-27 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 27. The exercise of the
7 powers granted by this chapter will be in all respects for the benefit of
8 the people of this state, for the increase of their commerce, welfare, and
9 prosperity, and for the improvement of their health and living
10 conditions. Because the operation and maintenance of a project by the
11 authority or its agent will constitute the performance of an essential
12 public function, neither the authority nor its agent shall be required to
13 pay any taxes or assessments, including mortgage recording taxes,
14 upon or in respect of:

- 15 (1) a project or any property acquired or used by the authority or
16 its agent under the provisions of this chapter or upon the income
17 from the project or property;
- 18 (2) the bonds issued under the provisions of this chapter or the
19 interest on those bonds; and
- 20 (3) the proceeds received from bonds issued under this chapter:
 - 21 (A) by a holder from the sale of such bonds, to the extent of
 - 22 the holder's cost of acquisition;
 - 23 (B) upon redemption prior to maturity; or
 - 24 (C) at maturity.

25 All bonds and the interest on bonds issued under this chapter are
26 exempt from taxation in the state of Indiana for all purposes except the
27 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
28 **death** tax imposed under IC 6-4.1.

29 SECTION 50. IC 20-14-10-14, AS AMENDED BY
30 P.L.192-2002(ss), SECTION 160, IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 14. All property owned
32 by a lessor corporation contracting with a public corporation or
33 corporations under this chapter, and all stock and other securities,
34 including the interest or dividends issued by a lessor corporation, are
35 exempt from all state, county, and other taxes, excluding the financial
36 institutions tax and the ~~inheritance death~~ taxes **imposed under**
37 **IC 6-4.1.**

38 SECTION 51. IC 21-5-11-14, AS AMENDED BY
39 P.L.192-2002(ss), SECTION 161 AND SECTION 165, IS AMENDED
40 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 14. All
41 property owned by a lessor corporation so contracting with such school
42 corporation or corporations under the provisions of this chapter, and all

C
o
p
y



1 stock and other securities including the interest or dividends thereon
 2 issued by a lessor corporation, shall be exempt from all state, county,
 3 and other taxes, except, however, the financial institutions tax
 4 (IC 6-5.5) and ~~inheritance~~ **death** taxes (IC 6-4.1).

5 SECTION 52. IC 21-9-7-3, AS AMENDED BY P.L.135-2002,
 6 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2003]: Sec. 3. An account is not an asset for the purposes of
 8 IC 6-4.1-2 (**expired July 1, 2005**).

9 SECTION 53. IC 27-1-12-16 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16. (a) The terms
 11 "proceeds" and "proceeds of life insurance" and similar phrases used
 12 in this section mean and include any and all benefits payable by the
 13 insurer by reason of the death of the insured under any "life insurance,"
 14 "policy of life insurance," "insurance policy," "policy," or "annuity
 15 contract" providing for benefits on the death of the insured, including
 16 individual ordinary life policies, certificates issued under a group
 17 policy, annuity contracts, and accident or health policies.

18 (b) Proceeds of life insurance policies heretofore made payable to
 19 a trustee or trustees named as beneficiary or hereafter to be named
 20 beneficiary under an inter vivos trust shall be paid directly to the
 21 trustee or trustees and held and disposed of by the trustee or trustees as
 22 provided in the trust agreement or declaration of trust in writing made
 23 and in existence on the date of death of the insured, whether or not
 24 such trust or declaration of trust is amendable or revocable or both, or
 25 whether it may have been amended, and notwithstanding the
 26 reservation of any or all rights of ownership under the insurance policy
 27 or annuity contract; subject, however, to a valid assignment of any part
 28 of the proceeds. It is not necessary to the validity of such trust
 29 agreement or declaration of trust that it be funded or have a corpus
 30 other than the right, which need not be irrevocable, of the trustee or
 31 trustees named therein to receive such proceeds as beneficiary.

32 (c) A policy of life insurance or annuity contract may designate as
 33 beneficiary a trustee or trustees named or to be named by will if the
 34 designation is made in accordance with the provisions of the policy or
 35 contract whether or not the will is in existence at the time of the
 36 designation. The company shall, within sixty days after receipt at its
 37 home office of proof of probate of the will, pay the proceeds of such
 38 insurance or contract to the trustee or trustees designated in the
 39 insurance policy or annuity contract, subject to a valid assignment of
 40 any part thereof and any other provisions of the policy or contract,
 41 unless prior to the actual payment by the company it shall have
 42 received at its home office written notice of the filing or pendency of

C
o
p
y



1 (1) objection to the probate of said will, or (2) a suit to contest the
 2 validity of said will or of the testamentary trust or trusts created therein
 3 to which such proceeds are payable, or (3) petition for the construction
 4 of that part of the testamentary trust designating the trustee or trustees.
 5 ~~Provided, However, That~~ if the company makes any payment or
 6 payments of proceeds to such trustee or trustees in accordance with the
 7 terms of the policy or contract before receipt at the home office of such
 8 written notice, said trustee or trustees shall give full acquittance
 9 therefor to the company and such payment shall fully discharge the
 10 company from all claims and liability to the extent thereof. ~~Provided,~~
 11 ~~further, That~~ If such written notice is received by the company,
 12 payment by it of any unpaid proceeds may be delayed during the
 13 pendency of said objections, suit, or petition for construction for not to
 14 exceed one (1) year from the date of death of insured, and thereafter the
 15 company may pay any and all unpaid proceeds due by reason of the
 16 death of the insured to the clerk of the court wherein the probate
 17 proceeding is pending by depositing them with such clerk who, as such
 18 clerk, shall give full acquittance to the company for all proceeds so
 19 paid and the company shall be fully discharged from any and all
 20 liability and claims by or on behalf of any other person or persons
 21 whomsoever to the extent of the amount so paid and deposited. The
 22 clerk shall thereafter hold and disburse said proceeds in accordance
 23 with the order of said court to the party or parties and in the amount or
 24 amounts provided in said order upon receiving proper receipts therefor.
 25 ~~all Provided, however, That~~ The procedure provided for herein shall
 26 not preclude the company from interpleading or being interpleaded in
 27 any appropriate proceeding or filing a bill of interpleader in any court
 28 of competent jurisdiction.

29 (d) If no claim to proceeds is made by any trustee designated as the
 30 beneficiary in any policy of insurance or annuity contract within one
 31 year after the death of the insured or if satisfactory evidence is
 32 furnished the insurance company within the one-year period showing
 33 that there is or will be no trustee qualified to receive the proceeds,
 34 payment may be made by the insurance company to those thereafter
 35 entitled.

36 (e) The proceeds of insurance collected by the trustee or trustees are
 37 not part of the testator's estate and are not subject to the debts of the
 38 insured or to ~~transfer, inheritance, or estate~~ **death taxes imposed under**
 39 **IC 6-4.1** to any greater extent than if the proceeds were payable to
 40 some named beneficiary or beneficiaries other than to the estate of the
 41 insured or executor or administrator thereof.

42 (f) This section applies to all trustee designations of a beneficiary or

C
o
p
y



1 beneficiaries by an insured dying after June 15, 1967, regardless of
2 when made, naming a trustee or trustees of a trust or trusts established
3 by will. If any provision of this section or the application thereof to any
4 person or circumstance is held invalid, the invalidity shall not affect
5 other provisions or applications of this section which can be given
6 effect without the invalid provision or application.

7 SECTION 54. IC 27-1-29-17 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 17. (a) As used in this
9 section:

10 (1) "basic fund" refers to the political subdivision risk
11 management fund established by this chapter; and

12 (2) "catastrophic fund" refers to the political subdivision
13 catastrophic liability fund established by IC 27-1-29.1.

14 (b) The commission may issue its bonds or notes in amounts that it
15 considers necessary to provide funds to:

16 (1) establish or maintain the reserve account in the catastrophic
17 fund provided for in IC 27-1-29.1-8;

18 (2) provide for the payment of liabilities payable out of the basic
19 fund to the extent such liabilities exceed the money in the basic
20 fund; and

21 (3) pay, fund, or refund, regardless of when due, the principal of
22 or interest or redemption premiums on bonds or notes issued
23 under subdivision (1) or (2).

24 Bonds or notes issued under subdivision (2) must mature within three
25 (3) years after their date of issuance.

26 (c) The bonds or notes of the commission may be issued and sold by
27 the commission to the Indiana bond bank under IC 5-1.5.

28 (d) Every issue of bonds or notes is an obligation of the commission.
29 An issue of bonds or notes under subsection (b)(1) is payable solely
30 from assessments imposed by the commission under IC 27-1-29.1 on
31 political subdivisions that are members of the catastrophic fund, and
32 the commission may secure such bonds or notes by a pledge of
33 assessments imposed under IC 27-1-29.1. An issue of bonds or notes
34 under subsection (b)(2) is payable solely from assessments imposed by
35 the commission under section 12 of this chapter on political
36 subdivisions that are members of the basic fund, and the commission
37 may secure such bonds or notes by a pledge of assessments imposed
38 under section 12 of this chapter.

39 (e) A bond or note of the commission:

40 (1) is not a debt, liability, loan of credit, or pledge of the faith and
41 credit of the state; and

42 (2) must contain on its face a statement that the commission is

C
o
p
y



- 1 obligated to pay principal and interest, and the redemption
 2 premium, if any, and that the faith, credit, and taxing power of the
 3 state are not pledged to the payment of the bond or note.
- 4 (f) The state pledges to and agrees with the holders of the bonds or
 5 notes issued under this chapter that the state will not:
- 6 (1) limit or restrict the rights vested in the commission to fulfill
 7 the terms of any agreement made with the holders of its bonds or
 8 notes; or
 9 (2) in any way impair the rights or remedies of the holders of the
 10 bonds or notes;
- 11 until the bonds or notes, together with the interest on the bonds or
 12 notes, and interest on unpaid installments of interest, and all costs and
 13 expenses in connection with an action or proceeding by or on behalf of
 14 the holders, are fully met, paid, and discharged.
- 15 (g) The bonds or notes of the commission are negotiable instruments
 16 for all purposes of IC 26-1, subject only to the provisions of the bonds
 17 and notes for registration.
- 18 (h) Bonds or notes of the commission must be authorized by
 19 resolution of the commission, may be issued in one (1) or more series,
 20 and must:
- 21 (1) bear the date;
 22 (2) mature at the time or times;
 23 (3) be in the denomination;
 24 (4) be in the form;
 25 (5) carry the conversion or registration privileges;
 26 (6) have the rank or priority;
 27 (7) be executed in the manner;
 28 (8) be payable from the sources in the medium of payment at the
 29 place inside or outside the state; and
 30 (9) be subject to the terms of redemption;
- 31 as the resolution of the commission or the trust agreement securing the
 32 bonds or notes provides.
- 33 (i) Bonds or notes may be issued under this chapter without
 34 obtaining the consent of any agency of the state and without any other
 35 proceeding or condition other than the proceedings or conditions
 36 specified in this chapter.
- 37 (j) The rate or rates of interest on the bonds or notes may be fixed
 38 or variable. Variable rates shall be determined in the manner and in
 39 accordance with the procedures set forth in the resolution authorizing
 40 the issuance of the bonds or notes. Bonds or notes bearing a variable
 41 rate of interest may be converted to bonds or notes bearing a fixed rate
 42 or rates of interest, and bonds or notes bearing a fixed rate or rates of

C
 o
 p
 y



1 interest may be converted to bonds or notes bearing a variable rate of
 2 interest, to the extent and in the manner set forth in the resolution
 3 pursuant to which the bonds or notes are issued. The interest on bonds
 4 or notes may be payable semiannually or annually or at any other
 5 interval or intervals as may be provided in the resolution, or the interest
 6 may be compounded and paid at maturity or at any other times as may
 7 be specified in the resolution.

8 (k) The bonds or notes may be made subject, at the option of the
 9 holders, to mandatory redemption by the commission at the times and
 10 under the circumstances set forth in the authorizing resolution.

11 (l) Bonds or notes of the commission may be sold at public or
 12 private sale at such price, either above or below the principal amount,
 13 as the commission fixes. If bonds or notes of the commission are to be
 14 sold at public sale, the commission shall comply with IC 5-1-11 and
 15 shall publish notice of the sale in accordance with IC 5-3-1-2 in two (2)
 16 newspapers published and of general circulation in Indianapolis.

17 (m) The commission may periodically issue its notes under this
 18 chapter and pay and retire the principal of the notes, pay the interest
 19 due on the notes, or fund or refund the notes from proceeds of bonds or
 20 of other notes or from other funds or money of the commission
 21 available for that purpose in accordance with a contract between the
 22 commission and the holders of the notes.

23 (n) The commission may secure any bonds or notes issued under
 24 this chapter by a trust agreement by and between the commission and
 25 a corporate trustee, which may be any trust company or bank having
 26 the powers of a trust company within or outside Indiana.

27 (o) The trust agreement or the resolution providing for the issuance
 28 of the bonds or notes may contain provisions for protecting and
 29 enforcing the rights and remedies of the holders of any such bonds or
 30 notes as are reasonable and proper and not in violation of law.

31 (p) The trust agreement or resolution may set forth the rights and
 32 remedies of the holders of any bonds or notes and of the trustee and
 33 may restrict the individual right of action by the holders.

34 (q) In addition to the provisions of subsections (n) through (p), any
 35 trust agreement or resolution may contain other provisions the
 36 commission considers reasonable and proper for the security of the
 37 holders of any bonds or notes.

38 (r) All expenses incurred in carrying out the provisions of the trust
 39 agreement or resolution may be paid from assessments, revenues, or
 40 assets pledged or assigned to the payment of the principal of and the
 41 interest on bonds and notes or from any other funds available to the
 42 commission.

C
O
P
Y



1 (s) Notwithstanding the restrictions of any other law, all financial
 2 institutions, investment companies, insurance companies, insurance
 3 associations, executors, administrators, guardians, trustees, and other
 4 fiduciaries may legally invest sinking funds, money, or other funds
 5 belonging to them or within their control in bonds or notes issued under
 6 this chapter.

7 (t) All bonds or notes issued under this chapter are issued by a body
 8 corporate and politic of this state, but not a state agency, and for an
 9 essential public and government purpose and the bonds and notes, the
 10 interest thereon, the proceeds received by a holder from the sale of the
 11 bonds or notes to the extent of the holder's cost of acquisition, proceeds
 12 received upon redemption before maturity, and proceeds received at
 13 maturity, and the receipt of the interest and proceeds are exempt from
 14 taxation in Indiana for all purposes except the financial institutions tax
 15 imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under
 16 IC 6-4.1.

17 SECTION 55. IC 28-5-2-2 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. If any certificate
 19 holder of any industrial loan and investment company shall die, leaving
 20 unpledged certificates in such company and no executor of his will or
 21 administrator of his estate has been appointed, such company, upon
 22 receiving a waiver from the inheritance tax administrator (**or, after the**
 23 **elimination of the office of inheritance tax administrator, from the**
 24 **department of state revenue**) under IC 6-4.1, may, in its discretion,
 25 pay the value of such certificates to the widow, widower, or next of kin,
 26 or may apply the value of such certificates to the payment of funeral
 27 expenses or the expenses of the last sickness or other just debts of the
 28 decedent. As a condition of such payment, such company shall require
 29 proof by affidavit as to the parties in interest and shall also require the
 30 filing of proper waivers and the execution of a bond of indemnity with
 31 proper sureties from the parties interested, and a proper acquittance and
 32 receipt for such payment by the person to whom such payment is made
 33 shall fully release the company, and such company shall not thereafter
 34 be held liable to the decedent's executor or administrator thereafter
 35 appointed, or to any other person.

36 SECTION 56. IC 29-1-1-3 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. The definitions and
 38 rules of construction appearing in this section apply throughout this
 39 article, unless otherwise apparent from the context.

40 "Child" includes an adopted child but does not include a grandchild
 41 or other more remote descendants, nor, except as provided in
 42 IC 29-1-2-5, a child born out of wedlock.



C
 O
 P
 Y

1 "Claims" includes liabilities of a decedent which survive, whether
 2 arising in contract or in tort or otherwise, funeral expenses, the expense
 3 of a tombstone, expenses of administration, and all ~~inheritance~~ **death**
 4 taxes imposed under IC 6-4.1.

5 "Court" means the court having probate jurisdiction.

6 "Decedent" means one who dies testate or intestate.

7 "Devise" or "legacy", when used as a noun, means a testamentary
 8 disposition of either real or personal property or both.

9 "Devise", when used as a verb, means to dispose of either real or
 10 personal property or both by will.

11 "Devisee" includes legatee, and "legatee" includes devisee.

12 "Distributee" denotes those persons who are entitled to the real and
 13 personal property of a decedent under a will, under the statutes of
 14 intestate succession, or under IC 29-1-4-1.

15 "Estate" denotes the real and personal property of the decedent or
 16 protected person, as from time to time changed in form by sale,
 17 reinvestment, or otherwise, and augmented by any accretions and
 18 additions thereto and substitutions therefor and diminished by any
 19 decreases and distributions therefrom.

20 "Fiduciary" includes a:

- 21 (1) personal representative;
- 22 (2) guardian;
- 23 (3) conservator;
- 24 (4) trustee; and
- 25 (5) person designated in a protective order to act on behalf of a
 26 protected person.

27 "Heirs" denotes those persons, including the surviving spouse, who
 28 are entitled under the statutes of intestate succession to the real and
 29 personal property of a decedent on the decedent's death intestate, unless
 30 otherwise defined or limited by the will.

31 "Incapacitated" has the meaning set forth in IC 29-3-1-7.5.

32 "Interested persons" means heirs, devisees, spouses, creditors, or
 33 any others having a property right in or claim against the estate of a
 34 decedent being administered. This meaning may vary at different
 35 stages and different parts of a proceeding and must be determined
 36 according to the particular purpose and matter involved.

37 "Issue" of a person, when used to refer to persons who take by
 38 intestate succession, includes all lawful lineal descendants except those
 39 who are lineal descendants of living lineal descendants of the intestate.

40 "Lease" includes an oil and gas lease or other mineral lease.

41 "Letters" includes letters testamentary, letters of administration, and
 42 letters of guardianship.

C
 O
 P
 Y



1 "Minor" or "minor child" or "minority" refers to any person under
2 the age of eighteen (18) years.

3 "Mortgage" includes deed of trust, vendor's lien, and chattel
4 mortgage.

5 "Net estate" refers to the real and personal property of a decedent
6 exclusive of the allowances provided under IC 29-1-4-1 and
7 enforceable claims against the estate.

8 "Person" includes natural persons and corporations.

9 "Personal property" includes interests in goods, money, choses in
10 action, evidences of debt, and chattels real.

11 "Personal representative" includes executor, administrator,
12 administrator with the will annexed, administrator de bonis non, and
13 special administrator.

14 "Property" includes both real and personal property.

15 "Protected person" has the meaning set forth in IC 29-3-1-13.

16 "Real property" includes estates and interests in land, corporeal or
17 incorporeal, legal or equitable, other than chattels real.

18 "Will" includes all wills, testaments, and codicils. The term also
19 includes a testamentary instrument which merely appoints an executor
20 or revokes or revives another will.

21 The singular number includes the plural and the plural number
22 includes the singular.

23 The masculine gender includes the feminine and neuter.

24 SECTION 57. IC 29-1-7.5-4, AS AMENDED BY P.L.252-2001,
25 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JULY 1, 2003]: Sec. 4. (a) Unless prohibited by order of the court and
27 except for estates being administered in supervised administration
28 proceedings, a personal representative may close an estate by filing
29 with the court no earlier than three (3) months after the date of the first
30 published notice to creditors under IC 29-1-7-7(b), a verified statement
31 stating that the personal representative, or a prior personal
32 representative, has done the following:

33 (1) Published notice to creditors as provided in IC 29-1-7-7(b),
34 and that the first publication occurred more than three (3) months
35 prior to the date of the statement.

36 (2) Provided notice to creditors as required under IC 29-1-7-7(c)
37 and IC 29-1-7-7(d).

38 (3) Fully administered the estate of the decedent by making
39 payment, settlement, or other disposition of all claims which were
40 presented, expenses of administration and estate inheritance, and
41 other death taxes, except as specified in the statement. If any
42 claims remain undischarged, the statement shall:

C
O
P
Y



- 1 (A) state whether the personal representative has distributed
- 2 the estate, subject to possible liability, with the agreement of
- 3 the distributees; or
- 4 (B) detail other arrangements which have been made to
- 5 accommodate outstanding liabilities.
- 6 (4) Executed and recorded a personal representative's deed for
- 7 any real estate owned by the decedent.
- 8 (5) Distributed all the assets of the estate to the persons entitled
- 9 to receive the assets.
- 10 (6) Sent a copy of the statement to all distributees of the estate
- 11 and to all creditors or other claimants of whom the personal
- 12 representative has actual knowledge whose claims are neither
- 13 paid nor barred and has furnished a full account in writing of the
- 14 personal representative's administration to the distributees whose
- 15 interests are affected.
- 16 (7) Provided the court with the names and addresses of all
- 17 distributees, creditors, and claimants to whom the personal
- 18 representative has sent a copy of the statement under subdivision
- 19 (6).

20 (b) If no proceedings involving the personal representative are
 21 pending in the court three (3) months after the closing statement is
 22 filed, the appointment of the personal representative terminates and the
 23 estate is closed by operation of law.

24 SECTION 58. IC 29-1-15-3 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. Any real or personal
 26 property belonging to an estate may be sold, mortgaged, leased or
 27 exchanged under court order when necessary for any of the following
 28 purposes:

- 29 (a) For the payment of claims allowed against the estate.
- 30 (b) For the payment of any allowances made under IC 29-1-4-1.
- 31 (c) For the payment of any legacy given by the will of the
- 32 decedent.
- 33 (d) For the payment of expenses of administration.
- 34 (e) For the payment of any **state or federal** gift, estate,
- 35 ~~inheritance~~ or transfer taxes assessed upon the transfer of the
- 36 estate or due from the decedent or his estate.
- 37 (f) For making distribution of the estate or any part thereof.
- 38 (g) For any other purpose in the best interests of the estate.

39 SECTION 59. IC 29-1-15-20 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 20. The lien of the state
 41 for ~~inheritance or estate~~ **death** taxes **imposed under IC 6-4.1** shall not
 42 extend to any interest acquired by a purchaser, mortgagee, or lessee

C
O
P
Y



1 through any transfer made by a personal representative under a power
2 contained in a will, under IC 29-1-7.5-3, or under order of the court.

3 SECTION 60. IC 29-1-17-2 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) After the
5 expiration of the time limit for the filing of claims, and after all claims
6 against the estate, including state **death taxes imposed under IC 6-4.1**
7 and federal ~~inheritance~~ and estate taxes, have been determined, paid,
8 or provision made therefor, except contingent and unmatured claims
9 which cannot then be paid, the personal representative shall, if the
10 estate is in a condition to be closed, render his final account and at the
11 same time petition the court to decree the final distribution of the
12 estate. Notice of the hearing of the petition shall be given to all
13 interested persons.

14 (b) In its decree of final distribution, the court shall designate the
15 persons to whom distribution is to be made, and the proportions or
16 parts of the estate, or the amounts, to which each is entitled under the
17 will and the provisions of this probate code, including the provisions
18 regarding advancements, election by the surviving spouse, lapse,
19 renunciation, adjudicated compromise of controversies and retainer.
20 Every tract of real property so distributed shall be specifically
21 described therein. The decree shall find that all state **death taxes**
22 **imposed under IC 6-4.1** and federal ~~inheritance~~ and estate taxes are
23 paid; and if all claims have been paid, it shall so state; otherwise, the
24 decree shall state that all claims except those therein specified are paid
25 and shall describe the claims for the payment of which a special fund
26 is set aside, and the amount of such fund; if any contingent claims
27 which have been duly allowed are still unpaid and have not become
28 absolute, such claims shall be described in the decree, which shall state
29 whether the distributees take subject to them. If a fund is set aside for
30 the payment of contingent claims, the decree shall provide for the
31 distribution of such fund in the event that all or a part of it is not
32 needed to satisfy such contingent claims. If a decree of partial
33 distribution has been previously made, the decree of final distribution
34 shall expressly confirm it, or, for good cause, shall modify said decree
35 and state specifically what modifications are made.

36 (c) If a distributee dies before distribution to him of his share of the
37 estate, such share may be distributed to the personal representative of
38 his estate, if there be one; or if no administration on his estate is had
39 and none is necessary according to ~~IC 1971, 29-1-8~~, **IC 29-1-8**, the
40 share of such distributee shall be distributed in accordance therewith.

41 (d) The decree of final distribution shall be a conclusive
42 determination of the persons who are the successors in interest to the

C
o
p
y



1 estate of the decedent and of the extent and character of their interest
 2 therein, subject only to the right of appeal and the right to reopen the
 3 decree. It shall operate as the final adjudication of the transfer of the
 4 right, title and interest of the decedent to the distributees therein
 5 designated; but no transfer before or after the decedent's death by an
 6 heir or devisee shall affect the decree, nor shall the decree affect any
 7 rights so acquired by grantees from the heirs or devisees.

8 (e) Whenever the decree of final distribution includes real property,
 9 a certified copy thereof shall be recorded by the personal representative
 10 in every county of this state in which any real property distributed by
 11 the decree is situated except the county in which the estate is
 12 administered. The cost of recording such decree shall be charged to the
 13 estate.

14 SECTION 61. IC 29-1-17-14 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 14. (a) If, after an estate
 16 has been settled and the personal representative discharged, other
 17 property of the estate shall be discovered, or if it shall appear that any
 18 necessary act remains unperformed on the part of the personal
 19 representative, or for any other proper cause, the court, upon the
 20 petition of the discharged personal representative or any person
 21 interested in the estate and, without notice or upon such notice as it
 22 may direct, may order that said estate be reopened. It may reappoint the
 23 personal representative or appoint another personal representative to
 24 administer such property or perform such act as may be deemed
 25 necessary. Unless the court shall otherwise order, the provisions of this
 26 article as to an original administration shall apply to the proceedings
 27 had in the reopened administration so far as may be, but no claim
 28 which is already barred can be asserted in the reopened administration.

29 (b) Whenever any solvent estate has been closed, and it thereafter
 30 appears that any assets thereof have not been fully administered upon,
 31 the court may, if it appears practicable, order such assets distributed to,
 32 or title vested in, the persons entitled thereto after compliance with
 33 requirements as to ~~an inheritance~~ **a death** tax imposed under IC 6-4.1,
 34 in lieu of reopening the estate as provided in the preceding subsection.
 35 No additional notice of such proceedings shall be necessary unless so
 36 ordered by the court.

37 SECTION 62. IC 29-1-17-15.1 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15.1. (a) Whenever any
 39 person has died leaving property or any interest therein and no general
 40 administration has been commenced on his estate in this state, nor has
 41 any will been offered for probate in this state, within five (5) months
 42 after his death, any person claiming an interest in such property as heir

C
O
P
Y



1 or through an heir may file a petition in any court which would be of
2 proper venue for the administration of such decedent's estate, to
3 determine the heirs of said decedent and their respective interests as
4 heirs in the estate.

5 (b) The petition shall state:

- 6 (1) the name, age, domicile and date of death of the decedent;
- 7 (2) the names, ages and residence addresses of the heirs, so far as
8 known or can with reasonable diligence be ascertained;
- 9 (3) the names and residence addresses of any persons claiming
10 any interest in such property through an heir, so far as known or
11 can by reasonable diligence be ascertained;
- 12 (4) a particular description of the property with respect to which
13 such determination is sought; **and**
- 14 (5) the net value of the estate.

15 (c) Upon the filing of the petition, the court shall fix the time for the
16 hearing thereof, notice of which shall be given to:

- 17 (1) all persons known or believed to claim any interest in the
18 property as heir or through an heir of the decedent;
- 19 (2) all persons who may at the date of the filing of the petition be
20 shown by the records of conveyances of the county in which any
21 real property described in such petition is located to claim any
22 interest therein through the heirs of the decedent; and
- 23 (3) any unknown heirs of the decedent.

24 Such notice shall be given by publication and in addition, personal
25 notice by registered mail shall be given to every such person whose
26 address is known to the petitioner. Upon satisfactory proofs, including
27 proof of compliance with **inheritance the death** tax laws **of this state**
28 **set forth in IC 6-4.1**, the court shall make a decree determining the
29 heirs of said decedent and their respective interests as heirs in said
30 property.

31 (d) A certified copy of the decree shall be recorded at the expense
32 of the petitioner in each county in which any real property described
33 therein is situated except the county in which the decree is entered, and
34 shall be conclusive evidence of the facts determined therein as against
35 all parties to the proceedings.

36 SECTION 63. IC 29-3-3-3, AS AMENDED BY P.L.192-2002(ss),
37 SECTION 171, IS AMENDED TO READ AS FOLLOWS
38 [EFFECTIVE JULY 1, 2003]: Sec. 3. Except as otherwise determined
39 in a dissolution of marriage proceeding, a custody proceeding, or in
40 some other proceeding authorized by law, including a proceeding under
41 section 6 of this chapter or another proceeding under this article, and
42 unless a minor is married, the parents of the minor jointly (or the

C
o
p
y



1 survivor if one (1) parent is deceased), if not an incapacitated person,
 2 have, without the appointment of a guardian, giving of bond, or order
 3 or confirmation of court, the right to custody of the person of the minor
 4 and the power to execute the following on behalf of the minor:

5 (1) Consent to the application of subsection (c) of Section 2032A
 6 of the Internal Revenue Code, which imposes personal liability
 7 for payment of the tax under that Section.

8 (2) Consent to the application of Section 6324A of the Internal
 9 Revenue Code, which attaches a lien to property to secure
 10 payment of taxes deferred under Section 6166 of the Internal
 11 Revenue Code.

12 (3) Any other consents, waivers, or powers of attorney provided
 13 for under the Internal Revenue Code.

14 (4) Waivers of notice permissible with reference to proceedings
 15 under IC 29-1.

16 (5) Consents, waivers of notice, or powers of attorney under any
 17 statute, including the Indiana ~~inheritance tax law (IC 6-4.1)~~ **death**
 18 **tax law (IC 6-4.1)**, and the Indiana adjusted gross income tax law
 19 (IC 6-3).

20 (6) Consent to unsupervised administration as provided in
 21 IC 29-1-7.5.

22 (7) Federal and state income tax returns.

23 (8) Consent to medical or other professional care, treatment, or
 24 advice for the minor's health and welfare.

25 SECTION 64. IC 30-4-1-2, AS AMENDED BY P.L.84-2002,
 26 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2003]: Sec. 2. As used in this article:

28 (1) "Adult" means any person eighteen (18) years of age or older.

29 (2) "Affiliate" means a parent, descendant, spouse, spouse of a
 30 descendant, brother, sister, spouse of a brother or sister,
 31 employee, director, officer, partner, joint venturer, a corporation
 32 subject to common control with the trustee, a shareholder, or
 33 corporation who controls the trustee or a corporation controlled
 34 by the trustee other than as a fiduciary.

35 (3) "Beneficiary" has the meaning set forth in IC 30-2-14-2.

36 (4) "Breach of trust" means a violation by the trustee of any duty
 37 which is owed to the settlor or beneficiary.

38 (5) "Charitable trust" means a trust in which all the beneficiaries
 39 are the general public or organizations, including trusts,
 40 corporations, and associations, and that is organized and operated
 41 wholly for religious, charitable, scientific, public safety testing,
 42 literary, or educational purposes. The term does not include

C
o
p
y



- 1 charitable remainder trusts, charitable lead trusts, pooled income
 2 funds, or any other form of split-interest charitable trust that has
 3 at least one (1) noncharitable beneficiary.
- 4 (6) "Court" means a court having jurisdiction over trust matters.
- 5 (7) "Income", except as otherwise stated in a trust agreement, has
 6 the meaning set forth in IC 30-2-14-4.
- 7 (8) "Income beneficiary" has the meaning set forth in
 8 IC 30-2-14-5.
- 9 (9) "Inventory value" means the cost of property to the settlor or
 10 the trustee at the time of acquisition or the market value of the
 11 property at the time it is delivered to the trustee, or the value of
 12 the property as finally determined for purposes of ~~an estate or~~
 13 ~~inheritance a death tax imposed under IC 6-4.1.~~
- 14 (10) "Minor" means any person under the age of eighteen (18)
 15 years.
- 16 (11) "Person" has the meaning set forth in IC 30-2-14-9.
- 17 (12) "Personal representative" means an executor or administrator
 18 of a decedent's or absentee's estate, guardian of the person or
 19 estate, guardian ad litem or other court appointed representative,
 20 next friend, parent or custodian of a minor, attorney in fact, or
 21 custodian of an incapacitated person (as defined in
 22 IC 29-3-1-7.5).
- 23 (13) "Principal" has the meaning set forth in IC 30-2-14-10.
- 24 (14) "Remainderman" means a beneficiary entitled to principal,
 25 including income which has been accumulated and added to the
 26 principal.
- 27 (15) "Settlor" means a person who establishes a trust including
 28 the testator of a will under which a trust is created.
- 29 (16) "Trust estate" means the trust property and the income
 30 derived from its use.
- 31 (17) "Trust for a benevolent public purpose" means a charitable
 32 trust (as defined in subdivision (5)), a split-interest trust (as
 33 defined in Section 4947 of the Internal Revenue Code), and any
 34 other form of split-interest charitable trust that has both charitable
 35 and noncharitable beneficiaries, including but not limited to
 36 charitable remainder trusts, charitable lead trusts, and charitable
 37 pooled income funds.
- 38 (18) "Trust property" means property either placed in trust or
 39 purchased or otherwise acquired by the trustee for the trust
 40 regardless of whether the trust property is titled in the name of the
 41 trustee or the name of the trust.
- 42 (19) "Trustee" has the meaning set forth in IC 30-2-14-13.

C
 O
 P
 Y



1 SECTION 65. IC 33-19-5-6, AS AMENDED BY P.L.1-2002,
 2 SECTION 138, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) Except as provided under
 4 subsection (c), for each action filed under:

- 5 (1) IC 6-4.1-5 (determination of inheritance tax **based on a cause**
 6 **of action arising before the expiration of IC 6-4.1-5**);
 7 (2) IC 29 (probate); and
 8 (3) IC 30 (trusts and fiduciaries);

9 the clerk shall collect from the party filing the action a probate costs fee
 10 of one hundred twenty dollars (\$120).

11 (b) In addition to the probate costs fee collected under this section,
 12 the clerk shall collect from the party filing the action the following fees
 13 if they are required under IC 33-19-6:

- 14 (1) A document fee.
 15 (2) A document storage fee (IC 33-19-6-18.1).
 16 (3) An automated record keeping fee (IC 33-19-6-19).

17 (c) A clerk may not collect a court costs fee for the filing of the
 18 following exempted actions:

- 19 (1) Petition to open a safety deposit box.
 20 (2) Filing an inheritance tax return (**where a return is due before**
 21 **the expiration of IC 6-4.1-2**), unless proceedings other than the
 22 court's approval of the return become necessary.
 23 (3) Offering a will for probate under IC 29-1-7, unless
 24 proceedings other than admitting the will to probate become
 25 necessary.

26 SECTION 66. IC 34-24-1-5 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. (a) If:

- 28 (1) the court has entered judgment in favor of the state, and a unit
 29 (if appropriate) concerning property that is subject to seizure
 30 under this chapter; and

- 31 (2) a person:
 32 (A) holding a valid lien, mortgage, security interest, or interest
 33 under a conditional sales contract; or
 34 (B) who is a co-owner of the property;
 35 did not know of the illegal use;

36 the court shall determine whether the secured interest or the co-owner's
 37 interest is equal to or in excess of the appraised value of the property.

38 (b) Appraised value is to be determined as of the date of judgment
 39 on a wholesale basis by:

- 40 (1) agreement between the secured party or the co-owner and the
 41 prosecuting attorney; or
 42 (2) the inheritance tax appraiser for the county in which the action

C
 O
 P
 Y



1 is brought (**before the elimination of the office of inheritance**
 2 **tax appraiser**).

3 (c) If the amount:
 4 (1) due to the secured party; or
 5 (2) of the co-owner's interest;
 6 is equal to or greater than the appraised value of the property, the court
 7 shall order the property released to the secured party or the co-owner.

8 (d) If the amount:
 9 (1) due the secured party; or
 10 (2) of the co-owner's interest;
 11 is less than the appraised value of the property, the holder of the
 12 interest or the co-owner may pay into the court an amount equal to the
 13 owner's equity, which shall be the difference between the appraised
 14 value and the amount of the lien, mortgage, security interest, interest
 15 under a conditional sales contract, or co-owner's interest. Upon such
 16 payment, the state or unit, or both, shall relinquish all claims to the
 17 property, and the court shall order the payment deposited as provided
 18 in section 4(d) of this chapter.

19 (e) If the seized property is a vehicle and if the security holder or the
 20 co-owner elects not to make payment as stated in subsection (d), the
 21 vehicle shall be disposed of in accordance with section 4(c) of this
 22 chapter.

23 SECTION 67. IC 34-24-2-5 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. (a) If a person
 25 holding a valid lien, mortgage, security interest, or interest under a
 26 conditional sales contract did not know the property was the object of
 27 corrupt business influence, the court shall determine whether the
 28 secured interest is equal to or in excess of the appraised value of the
 29 property.

30 (b) Appraised value is to be determined as of the date of judgment
 31 on a wholesale basis by:
 32 (1) agreement between the secured party and the prosecuting
 33 attorney; or
 34 (2) the inheritance tax appraiser for the county in which the action
 35 is brought (**before the elimination of the office of inheritance**
 36 **tax appraiser**).

37 (c) If the amount due to the secured party is equal to or greater than
 38 the appraised value of the property, the court shall order the property
 39 released to the secured party.

40 (d) If the amount due the secured party is less than the appraised
 41 value of the property, the holder of the interest may pay into the court
 42 an amount equal to the owner's equity, which shall be the difference

COPY



1 between the appraised value and the amount of the lien, mortgage,
 2 security interest, or interest under a conditional sales contract. Upon
 3 payment, the state or unit, or both, shall relinquish all claims to the
 4 property.

5 SECTION 68. IC 36-7-14.5-23 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 23. All:

- 7 (1) property owned by the authority;
 8 (2) revenues of the authority; and
 9 (3) bonds issued by the authority, the interest on the bonds, the
 10 proceeds received by a holder from the sale of bonds to the extent
 11 of the holder's cost of acquisition, proceeds received upon
 12 redemption before maturity, proceeds received at maturity, and
 13 the receipt of interest in proceeds;

14 are exempt from taxation in Indiana for all purposes except the
 15 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
 16 **death** tax imposed under IC 6-4.1.

17 SECTION 69. IC 36-7-15.3-19 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 19. All:

- 19 (1) property owned by the authority;
 20 (2) revenues of the authority; and
 21 (3) bonds issued by the authority, the interest on the bonds, the
 22 proceeds received by a holder from the sale of bonds to the extent
 23 of the holder's cost of acquisition, proceeds received upon
 24 redemption before maturity, proceeds received at maturity, and
 25 the receipt of interest in proceeds;

26 are exempt from taxation in Indiana for all purposes except the
 27 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
 28 **death** tax imposed under IC 6-4.1.

29 SECTION 70. IC 36-7-23-48 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 48. All property, both
 31 tangible and intangible, acquired or held by the authority under this
 32 chapter is public property used for public and governmental purposes.
 33 All the property, along with the income from the property, is exempt
 34 from all taxes imposed by the state or a political subdivision, except for
 35 the financial institutions tax imposed under IC 6-5.5 or a ~~state~~
 36 **inheritance death** tax imposed under IC 6-4.1.

37 SECTION 71. IC 36-9-3-31, AS AMENDED BY P.L.90-2002,
 38 SECTION 504, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2003]: Sec. 31. (a) This section applies to an
 40 authority that includes a county having a population of more than four
 41 hundred thousand (400,000) but less than seven hundred thousand
 42 (700,000).

C
O
P
Y



1 (b) The authority may issue revenue or general obligation bonds
2 under this section.

3 (c) The board may issue revenue bonds of the authority for the
4 purpose of procuring money to pay the cost of acquiring real or
5 personal property for the purpose of this chapter. The issuance of bonds
6 must be authorized by resolution of the board and approved by the
7 county fiscal bodies of the counties in the authority before issuance.
8 The resolution must provide for the amount, terms, and tenor of the
9 bonds, and for the time and character of notice and mode of making
10 sale of the bonds.

11 (d) The bonds are payable at the times and places determined by the
12 board, but they may not run more than thirty (30) years after the date
13 of their issuance and must be executed in the name of the authority by
14 an authorized officer of the board and attested by the secretary. The
15 interest coupons attached to the bonds may be executed by placing on
16 them the facsimile signature of the authorized officer of the board.

17 (e) The president of the authority shall manage and supervise the
18 preparation, advertisement, and sale of the bonds, subject to the
19 authorizing ordinance. Before the sale of bonds, the president shall
20 cause notice of the sale to be published in accordance with IC 5-3-1,
21 setting out the time and place where bids will be received, the amount
22 and maturity dates of the issue, the maximum interest rate, and the
23 terms and conditions of sale and delivery of the bonds. The bonds shall
24 be sold in accordance with IC 5-1-11. After the bonds have been
25 properly sold and executed, the executive director or president shall
26 deliver them to the controller of the authority and take a receipt for
27 them, and shall certify to the treasurer the amount that the purchaser is
28 to pay, together with the name and address of the purchaser. On
29 payment of the purchase price the controller shall deliver the bonds to
30 the purchaser, and the controller and executive director or president
31 shall report their actions to the board.

32 (f) General obligation bonds issued under this section are subject to
33 the provisions of IC 5-1 and IC 6-1.1-20 relating to the filing of a
34 petition requesting the issuance of bonds, the appropriation of the
35 proceeds of bonds, the right of taxpayers to appeal and be heard on the
36 proposed appropriation, the approval of the appropriation by the
37 department of local government finance, the right of taxpayers to
38 remonstrate against the issuance of bonds, and the sale of bonds for not
39 less than their par value.

40 (g) Notice of the filing of a petition requesting the issuance of
41 bonds, notice of determination to issue bonds, and notice of the
42 appropriation of the proceeds of the bonds shall be given by posting in

C
o
p
y



1 the offices of the authority for a period of one (1) week and by
2 publication in accordance with IC 5-3-1.

3 (h) The bonds are not a corporate indebtedness of any unit, but are
4 an indebtedness of the authority as a municipal corporation. A suit to
5 question the validity of the bonds issued or to prevent their issuance
6 may not be instituted after the date set for sale of the bonds, and after
7 that date the bonds may not be contested for any cause.

8 (i) The bonds issued under this section and the interest on them are
9 exempt from taxation for all purposes except the financial institutions
10 tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed
11 under IC 6-4.1.

12 SECTION 72. IC 36-9-25-27 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 27. (a) To raise money
14 to pay for the property and the construction, and in anticipation of the
15 special tax to be levied as provided in sections 19 and 29 of this
16 chapter, the board may have issued, in the name of the municipality,
17 the bonds of the district. The bonds may not exceed in amount the
18 estimated cost of all land, rights-of-way, and other property to be
19 acquired and the estimated cost of all construction as provided in the
20 resolution, including all expenses necessarily incurred in connection
21 with the proceedings, together with a sum sufficient to pay the cost of
22 supervision and inspection during the period of construction. The
23 expenses to be covered by the bond issue include all expenses of every
24 kind actually incurred preliminary to acquisition of the property and the
25 construction of the work, such as the cost of necessary records,
26 engineering expenses, publication of notices, salaries, and other
27 expenses.

28 (b) If different parcels of land are to be acquired, or if more than one
29 (1) contract for work is let by the board at approximately the same
30 time, whether under one (1) or more resolutions of the board, the
31 estimated cost may be combined in one (1) bond issue. The bonds shall
32 be issued in denominations of at least one thousand dollars (\$1,000)
33 each and shall have a final maturity of not later than fifty (50) years
34 from the date of issue. The bonds are negotiable unless registered, but
35 may be made registrable for principal only or principal and interest.
36 The bonds may be made redeemable before the stated maturities on
37 terms and conditions and at the premiums that the board determines in
38 the resolution authorizing the issuance of the bonds.

39 (c) Upon adoption of a resolution ordering bonds, the board shall
40 certify a copy of the resolution to the municipal fiscal officer, who shall
41 then prepare the bonds. The municipal executive shall execute the
42 bonds and the fiscal officer shall attest them. The bonds and interest are

C
o
p
y



1 exempt from taxation for all purposes, except the financial institutions
 2 tax imposed under IC 6-5.5 or ~~an inheritance a death~~ tax imposed
 3 under IC 6-4.1. All bonds issued by the board shall be sold by the fiscal
 4 officer to the highest bidder, but not for less than par, after giving
 5 notice of the sale by publication in accordance with IC 5-3-1.

6 (d) The bonds are not a corporate obligation or indebtedness of the
 7 municipality, but constitute an indebtedness of the district as a special
 8 taxing district. Except as provided in section 29(c) of this chapter, the
 9 bonds and interest are payable only out of a special tax levied upon all
 10 the property of the district as provided in this chapter. The bonds must
 11 recite these terms upon their face, together with the purpose for which
 12 they are issued.

13 (e) The board may sell bonds of the district to run for a period of
 14 five (5) years from the date of sale. The five (5) year bonds are exempt
 15 from taxation for all purposes except for the financial institutions tax
 16 imposed under IC 6-5.5. The board may sell bonds of the district in
 17 series for the purpose of refunding at any time the five (5) year bonds.
 18 Actions questioning the validity of the bonds issued or to prevent their
 19 issue may not be brought after the date set for the sale of the bonds, and
 20 all bonds are incontestable for any cause after that date.

21 (f) The total amount of the bond issue, including bonds already
 22 issued and to be issued, may not exceed twelve percent (12%) of the
 23 total adjusted value of taxable property in the district as determined
 24 under IC 36-1-15. All bonds issued in violation of this subsection are
 25 void.

26 SECTION 73. IC 36-10-9.1-22 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 22. All:

- 28 (1) property owned by the authority;
- 29 (2) revenues of the authority; and
- 30 (3) bonds issued by the authority, the interest on the bonds, the
 31 proceeds received by a holder from the sale of bonds to the extent
 32 of the holder's cost of acquisition, proceeds received upon
 33 redemption before maturity, proceeds received at maturity, and
 34 the receipt of interest in proceeds;

35 are exempt from taxation in Indiana for all purposes except the
 36 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
 37 **death** tax imposed under IC 6-4.1.

38 SECTION 74. IC 36-10-10-24 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 24. All:

- 40 (1) property owned by the authority;
- 41 (2) revenues of the authority; and
- 42 (3) bonds or other securities issued by the authority, the interest

C
o
p
y



1 on them, the proceeds received by a holder from the sale of bonds
2 to the extent of the holder's cost of acquisition, proceeds received
3 upon redemption prior to maturity, proceeds received at maturity,
4 and the receipt of interest and proceeds;
5 are exempt from taxation in Indiana for all purposes except the
6 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
7 **death** tax imposed under IC 6-4.1.

C
o
p
y

