

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 1 be amended to read as follows:

- 1 Page 18, between lines 26 and 27, begin a new paragraph and insert:
2 "SECTION 13. IC 6-1.1-12-43 IS ADDED TO THE INDIANA
3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: **Sec. 43. (a) As used in this section,**
5 **"agricultural land" refers to land that is assessed as agricultural**
6 **land under IC 6-1.1-4-13.**
7 **(b) As used in this chapter, "farm" means one (1) or more**
8 **tracts of agricultural land with common ownership that are:**
9 **(1) devoted to an agricultural use;**
10 **(2) located in one (1) county; and**
11 **(3) contiguous, as determined without regard to any**
12 **intervening public, public utility, or transportation easements**
13 **or rights-of-way.**
14 **(c) As used in this section, "farm owner" means a person that:**
15 **(1) is an owner of a farm; and**
16 **(2) either is:**
17 **(A) an individual who:**
18 **(i) actively participates in; and**
19 **(ii) alone or with one (1) or more other individuals**
20 **substantially owns and controls;**
21 **the use of the agricultural land; or**
22 **(B) a corporation (as defined in IC 6-3-1-10) or a**
23 **partnership (as defined in IC 6-3-1-19) that, directly or**

1 indirectly, is substantially owned and controlled by one (1)
2 or more individuals who actively participate in and
3 substantially control the use of the agricultural land.

4 (d) As used in this section, "total farmland acreage" means
5 total farmland acreage, as determined for agricultural land under
6 the rules adopted by the department of local government finance.

7 (e) A farm owner is eligible for a farmland deduction from the
8 assessed valuation of the farm owner's farm.

9 (f) The amount of the farmland deduction is equal to twenty
10 percent (20%) of the assessed valuation of the total farmland
11 acreage in the farm. If the farm consists of more than one (1)
12 tract that receives separate tax statements under IC 6-1.1-22-8,
13 the farmland deduction shall be allocated among the tracts in
14 conformity with the rules adopted by the department of local
15 government finance. A taxpayer may claim the farmland
16 deduction in more than one (1) county. However, the total
17 statewide farmland acreage for which a taxpayer may claim a
18 deduction under this section may not exceed five hundred (500)
19 acres.

20 (g) To obtain the farmland deduction under this section, a farm
21 owner must file a certified statement in duplicate:

22 (1) on forms prescribed by the department of local
23 government finance; and

24 (2) containing the information required by the department of
25 local government finance;

26 with the county auditor of the county in which the agricultural
27 land is subject to assessment. The statement must be filed before
28 May 10 of the year containing the assessment date for the first
29 year to which the farmland deduction is to be applied. Upon
30 verification of the statement by the township assessor of the
31 township in which the agricultural land is subject to assessment,
32 the county auditor shall allow the farmland deduction.

33 (h) A person who receives a farmland deduction under this
34 section for a particular year and who remains eligible for the
35 farmland deduction for the following year is not required to file a
36 statement to apply for the farmland deduction for the following
37 year.

38 (i) A person who receives a farmland deduction provided under
39 this section for a particular year and becomes ineligible for the
40 farmland deduction for the following year shall notify the county
41 auditor of the county in which the agricultural land for which the
42 person received the farmland deduction is located of the person's
43 ineligibility before March 31 of the year for which the person

1 becomes ineligible. The filing of an amended application under
2 subsection (k) meets the requirements of this subsection.

3 (j) The county auditor of each county shall, in a particular year,
4 apply a farmland deduction provided under this section to each
5 person that received the farmland deduction in the preceding year
6 unless the auditor determines that the person is no longer eligible
7 for the farmland deduction.

8 (k) The following do not terminate eligibility for a farmland
9 deduction under this section:

10 (1) A change in ownership of agricultural land if:

11 (A) a person who is a farm owner after the change in
12 ownership or control files an amended application with the
13 county auditor in the county where the farm is located, in
14 the form prescribed by the department of local
15 government finance before March 31 after the change in
16 ownership occurs; and

17 (B) the agricultural land otherwise continues to qualify for
18 the farmland deduction under this section after the
19 change in ownership or control.

20 (2) A change in the ownership or control of a corporation (as
21 defined in IC 6-3-1-10) or a partnership (as defined in
22 IC 6-3-1-19) that owns agricultural land, if the corporation or
23 the partnership:

24 (A) files an amended application with the county auditor
25 in the county where the agricultural land is located in the
26 form prescribed by the department of local government
27 finance before March 31 after the change in ownership or
28 control land occurs; and

29 (B) otherwise continues to qualify for the farmland
30 deduction under this section after the change in ownership
31 or control.

32 In applying subdivision (1) or (2) after the death of a farm owner
33 or a shareholder, partner, member, or beneficiary of a farm
34 owner, the person who is entitled to receive the property interest
35 of the deceased person shall be treated as an owner of the
36 deceased person's interest while the interest is in the estate of the
37 deceased person."

38 Page 59, between lines 22 and 23, begin a new paragraph and insert:
39 "SECTION 35. IC 6-1.1-21-3, AS AMENDED BY
40 P.L.192-2002(ss), SECTION 40, IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The
42 department, with the assistance of the auditor of state and the
43 department of local government finance, shall determine an amount

1 equal to the eligible property tax replacement amount, which is the
2 estimated property tax replacement.

3 (b) The department of local government finance shall certify to the
4 department the amount of:

5 **(1) property tax deduction replacement credits provided**
6 **under IC 6-1.1-21.9 that are allowed by the county for the**
7 **particular calendar year; and**

8 **(2) homestead credits provided under IC 6-1.1-20.9 which are**
9 **allowed by the county for the particular calendar year.**

10 (c) If there are one (1) or more taxing districts in the county that
11 contain all or part of an economic development district that meets the
12 requirements of section 5.5 of this chapter, the department of local
13 government finance shall estimate an additional distribution for the
14 county in the same report required under subsection (a). This additional
15 distribution equals the sum of the amounts determined under the
16 following STEPS for all taxing districts in the county that contain all or
17 part of an economic development district:

18 STEP ONE: Estimate that part of the sum of the amounts under
19 section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable
20 to the taxing district.

21 STEP TWO: Divide:

22 (A) that part of the estimated property tax replacement amount
23 attributable to the taxing district; by

24 (B) the STEP ONE sum.

25 STEP THREE: Multiply:

26 (A) the STEP TWO quotient; times

27 (B) the taxes levied in the taxing district that are allocated to a
28 special fund under IC 6-1.1-39-5.

29 (d) The sum of the amounts determined under subsections (a)
30 through (c) is the particular county's estimated distribution for the
31 calendar year.

32 SECTION 36. IC 6-1.1-21-4, AS AMENDED BY P.L.245-2003,
33 SECTION 19, AND AS AMENDED BY P.L.264-2003, SECTION 12,
34 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
35 [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Each year the department
36 shall allocate from the property tax replacement fund an amount equal
37 to the sum of:

38 (1) each county's total eligible property tax replacement amount
39 for that year; plus

40 (2) the total amount of homestead tax credits that are provided
41 under IC 6-1.1-20.9 and allowed by each county for that year;
42 plus

43 (3) an amount for each county that has one (1) or more taxing
44 districts that contain all or part of an economic development
45 district that meets the requirements of section 5.5 of this chapter.

1 This amount is the sum of the amounts determined under the
2 following STEPS for all taxing districts in the county that contain
3 all or part of an economic development district:

4 STEP ONE: Determine that part of the sum of the amounts
5 under section 2(g)(1)(A) and 2(g)(2) of this chapter that is
6 attributable to the taxing district.

7 STEP TWO: Divide:

8 (A) that part of the subdivision (1) amount that is attributable
9 to the taxing district; by

10 (B) the STEP ONE sum.

11 STEP THREE: Multiply:

12 (A) the STEP TWO quotient; times

13 (B) the taxes levied in the taxing district that are allocated to
14 a special fund under IC 6-1.1-39-5; **plus**

15 **(4) the total amount of property tax deduction replacement**
16 **credits that are provided under IC 6-1.1-21.9 and allowed by**
17 **each county for that year.**

18 (b) Except as provided in subsection (e), between March 1 and
19 August 31 of each year, the department shall distribute to each county
20 treasurer from the property tax replacement fund one-half (1/2) of the
21 estimated distribution for that year for the county. Between September
22 1 and December 15 of that year, the department shall distribute to each
23 county treasurer from the property tax replacement fund the remaining
24 one-half (1/2) of each estimated distribution for that year. The amount
25 of the distribution for each of these periods shall be according to a
26 schedule determined by the property tax replacement fund board under
27 section 10 of this chapter. The estimated distribution for each county
28 may be adjusted from time to time by the department to reflect any
29 changes in the total county tax levy upon which the estimated
30 distribution is based.

31 (c) On or before December 31 of each year or as soon thereafter as
32 possible, the department shall make a final determination of the amount
33 which should be distributed from the property tax replacement fund to
34 each county for that calendar year. This determination shall be known
35 as the final determination of distribution. The department shall distribute
36 to the county treasurer or receive back from the county treasurer any
37 deficit or excess, as the case may be, between the sum of the
38 distributions made for that calendar year based on the estimated
39 distribution and the final determination of distribution. The final
40 determination of distribution shall be based on the auditor's abstract filed
41 with the auditor of state, adjusted for postabstract adjustments included
42 in the December settlement sheet for the year, and such additional
43 information as the department may require.

44 (d) All distributions provided for in this section shall be made on
45 warrants issued by the auditor of state drawn on the treasurer of state.

1 If the amounts allocated by the department from the property tax
 2 replacement fund exceed in the aggregate the balance of money in the
 3 fund, then the amount of the deficiency shall be transferred from the
 4 state general fund to the property tax replacement fund, and the auditor
 5 of state shall issue a warrant to the treasurer of state ordering the
 6 payment of that amount. However, any amount transferred under this
 7 section from the general fund to the property tax replacement fund
 8 shall, as soon as funds are available in the property tax replacement
 9 fund, be retransferred from the property tax replacement fund to the
 10 state general fund, and the auditor of state shall issue a warrant to the
 11 treasurer of state ordering the replacement of that amount.

12 (e) Except as provided in subsection (I), the department shall not
 13 distribute under subsection (b) and section 10 of this chapter the money
 14 attributable to the county's property reassessment fund if:

15 (1) by the date the distribution is scheduled to be made, ~~(1)~~ the
 16 county auditor has not sent a certified statement required to be
 17 sent by that date under IC 6-1.1-17-1 to the department of local
 18 government finance; ~~or~~

19 (2) by the deadline under IC 36-2-9-20, the county auditor has not
 20 transmitted data as required under that section; **or**

21 ~~(2)~~ **(3) the county assessor has not forwarded to the department**
 22 **of local government finance the duplicate copies of all**
 23 **approved exemption applications required to be forwarded by that**
 24 **date under IC 6-1.1-11-8(a).**

25 (f) Except as provided in subsection (I), if the elected township
 26 assessors in the county, the elected township assessors and the county
 27 assessor, or the county assessor has not transmitted to the department
 28 of local government finance by October 1 of the year in which the
 29 distribution is scheduled to be made the data for all townships in the
 30 county required to be transmitted under IC 6-1.1-4-25(b), the state
 31 board or the department shall not distribute under subsection (b) and
 32 section 10 of this chapter a part of the money attributable to the
 33 county's property reassessment fund. The portion not distributed is the
 34 amount that bears the same proportion to the total potential distribution
 35 as the number of townships in the county for which data was not
 36 transmitted by ~~August 1~~ **October 1** as described in this section bears to
 37 the total number of townships in the county.

38 (g) Money not distributed ~~under subsection (e)~~ *for the reasons stated*
 39 *in subsection (e)(1) and (e)(2)* shall be distributed to the county when:

40 (1) the county auditor sends to the department of local
 41 government finance the certified statement required to be sent
 42 under IC 6-1.1-17-1; *and*

43 (2) the county assessor forwards to the department of local
 44 government finance the approved exemption applications required
 45 to be forwarded under IC 6-1.1-11-8(a);

1 with respect to which the failure to send *or forward* resulted in the
2 withholding of the distribution under subsection (e).

3 (h) Money not distributed under subsection (f) shall be distributed
4 to the county when the elected township assessors in the county, the
5 elected township assessors and the county assessor, or the county
6 assessor transmits to the department of local government finance the
7 data required to be transmitted under IC 6-1.1-4-25(b) with respect to
8 which the failure to transmit resulted in the withholding of the
9 distribution under subsection (f).

10 (i) The restrictions on distributions under subsections (e) and (f) do
11 not apply if the department of local government finance determines that:

12 (1) the failure of:

13 (A) a county auditor to send a certified statement; *or*

14 (B) a county assessor to forward copies of all approved
15 exemption applications;

16 as described in subsection (e); or

17 (2) the failure of an official to transmit data as described in
18 subsection (f);

19 is justified by unusual circumstances."

20 Page 60, between lines 26 and 27, begin a new paragraph and insert:

21 "SECTION 39. IC 6-1.1-21.9 IS ADDED TO THE INDIANA CODE
22 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
23 PASSAGE]:

24 **Chapter 21.9. Property Tax Deduction Replacement Credits**

25 **Sec. 1. This chapter applies to the following:**

26 (1) A property tax deduction increment.

27 (2) A qualified property tax deduction.

28 **Sec. 2. The definitions set forth in IC 6-1.1-21 apply throughout
29 this chapter.**

30 **Sec. 3. As used in this chapter, "county property tax deduction
31 replacement amount" means the sum of a particular county's
32 taxpayer property tax deduction replacement credits.**

33 **Sec. 4. (a) This section applies only to a property tax deduction
34 available under this article that is:**

35 (1) in effect on December 1, 2003; and

36 (2) increased in value by the general assembly after
37 December 1, 2003, and before March 14, 2004.

38 **(b) As used in this chapter, "property tax deduction increment"
39 means"**

40 (1) the value of a property tax deduction available under this
41 article (as in effect after November 30, 2003); minus

42 (2) the value of the property tax deduction described in
43 subdivision (1) before December 1, 2003.

44 **Sec. 5. As used in this chapter, "qualified property tax**

1 deduction" means a property tax deduction enacted by the general
2 assembly after December 1, 2003, and before March 14, 2004.

3 Sec. 6. As used in this chapter, "taxpayer's property tax
4 deduction replacement credit" means the amount determined in
5 the last of the following STEPS:

6 STEP ONE: Determine the sum of a particular taxpayer's
7 property tax deduction increments.

8 STEP TWO: Determine the sum of the taxpayer's qualified
9 property tax deductions.

10 STEP THREE: Determine the sum of the STEP ONE and STEP
11 TWO results.

12 STEP FOUR: Multiply the STEP THREE result by the total
13 net tax rate applicable in the taxpayer's taxing district.

14 Sec. 7. The department, with the assistance of the auditor of
15 state and the department of local government finance, shall
16 determine for each county an amount equal to the county
17 property tax deduction replacement amount.

18 Sec. 8. For purposes of calculating tax rates, the county auditor
19 shall add the sum of each county taxpayer's:

- 20 (1) property tax deduction increments; and
- 21 (2) qualified property tax deductions;

22 to the county's net assessed value.

23 Sec. 9. For purposes of calculating a particular taxpayer's tax
24 bill, the county treasurer shall add the sum of the taxpayer's:

- 25 (1) property tax deduction increments; and
- 26 (2) qualified property tax deductions;

27 to the taxpayer's net assessed value.

28 Sec. 10. Each year the taxpayers of each county shall receive a
29 credit for property tax deduction replacement in the amount of
30 each taxpayer's property tax deduction replacement credit amount
31 for taxes which under IC 6-1.1-22-9 are due and payable in May
32 and November of that year. The credit shall be applied to each
33 installment of taxes. The dollar amount of the credit for each
34 taxpayer shall be determined by the county auditor, based on data
35 furnished by the department of local government finance."

36 Page 122, between lines 3 and 4, begin a new paragraph and insert:

37 "SECTION 91. [EFFECTIVE UPON PASSAGE] (a) The
38 definitions in IC 6-1.1-1 and IC 6-1.1-12-43, as added by this act,
39 apply throughout this SECTION.

40 (b) IC 6-1.1-12-43, as added by this act, applies only to property
41 taxes first due and payable after December 31, 2003, for an
42 assessment date after February 28, 2003.

43 (c) Notwithstanding IC 6-1.1-12-43, as added by this act, the

1 **time in which a person may file the initial application for a**
2 **deduction under IC 6-1.1-12-43, as added by this act, for property**
3 **taxes first due and payable in 2004 is extended from May 10, 2003,**
4 **to February 29, 2004.**

5 **(d) The department of local government finance may adopt**
6 **temporary rules in the manner provided for the adoption of**
7 **emergency rules under IC 4-22-2-37.1 to implement this**
8 **SECTION. A temporary rule adopted under this SECTION expires**
9 **on the earliest of the following:**

10 **(1) The date another temporary rule is adopted under this**
11 **SECTION to supersede the previously adopted temporary**
12 **rule.**

1 **(2) The date that a permanent rule superseding the**
2 **temporary rule is adopted and becomes effective under**
3 **IC 4-22-2.**

4 **(3) January 1, 2005."**

5 Renumber all SECTIONS consecutively.

(Reference is to ESB 1 as printed December 2, 2003.)

Representative Hoffman