

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WITHDRAWN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 33, delete lines 24 through 42, begin a new paragraph and
2 insert:
3 "SECTION 21. IC 6-1.1-18.5-3, AS AMENDED BY P.L.1-2003,
4 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]: Sec. 3. (a) Except as otherwise provided in this
6 chapter and IC 6-3.5-8-12, a civil taxing unit that is treated as not being
7 located in an adopting county under section 4 of this chapter may not
8 impose an ad valorem property tax levy for an ensuing calendar year
9 that exceeds the amount determined in the last STEP of the following
10 STEPS:
11 STEP ONE: Add the civil taxing unit's ~~maximum permissible~~ ad
12 valorem property tax levy for the preceding calendar year to the
13 part of the civil taxing unit's certified share, if any, that was used
14 to reduce the civil taxing unit's ad valorem property tax levy under
15 STEP EIGHT of subsection (b) for that preceding calendar year.
16 STEP TWO: ~~Multiply~~ **Determine the result of:**
17 (1) the amount determined in STEP ONE **multiplied** by the
18 amount determined in the last STEP of section 2(b) of this
19 chapter; **plus**
20 (2) **the difference between:**
21 (A) **the growth in the civil taxing unit's maximum**
22 **permissible ad valorem property tax levy during the five**
23 **(5) preceding calendar years; minus**

1 **(B) the growth in the civil taxing unit's actual ad**
 2 **valorem property tax levy during the five (5) preceding**
 3 **calendar years.**

4 STEP THREE: Determine the lesser of one and fifteen hundredths
 5 (1.15) or the quotient (rounded to the nearest ten-thousandth
 6 (0.0001)), of the assessed value of all taxable property subject to
 7 the civil taxing unit's ad valorem property tax levy for the ensuing
 8 calendar year, divided by the assessed value of all taxable property
 9 that is subject to the civil taxing unit's ad valorem property tax
 10 levy for the ensuing calendar year and that is contained within the
 11 geographic area that was subject to the civil taxing unit's ad
 12 valorem property tax levy in the preceding calendar year.

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

15 STEP FIVE: Multiply the amount determined in STEP TWO by
 16 the amount determined in STEP FOUR.

17 STEP SIX: Add the amount determined under STEP TWO to the
 18 amount determined under subsection (c).

19 STEP SEVEN: Determine the greater of the amount determined
 20 under STEP FIVE or the amount determined under STEP SIX.

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

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

31 STEP TWO: ~~Multiply~~ **Determine the result of:**

32 **(1) the amount determined in STEP ONE multiplied** by the
 33 amount determined in the last STEP of section 2(b) of this
 34 chapter; **plus**

35 **(2) the difference between:**

36 **(A) the growth in the civil taxing unit's maximum**
 37 **permissible ad valorem property tax levy during the five**
 38 **(5) preceding calendar years; minus**

39 **(B) the growth in the civil taxing unit's actual ad**
 40 **valorem property tax levy during the five (5) preceding**
 41 **calendar years.**

42 STEP THREE: Determine the lesser of one and fifteen hundredths
 43 (1.15) or the quotient of the assessed value of all taxable property
 44 subject to the civil taxing unit's ad valorem property tax levy for
 45 the ensuing calendar year divided by the assessed value of all

1 taxable property that is subject to the civil taxing unit's ad valorem
 2 property tax levy for the ensuing calendar year and that is
 3 contained within the geographic area that was subject to the civil
 4 taxing unit's ad valorem property tax levy in the preceding
 5 calendar year.

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

8 STEP FIVE: Multiply the amount determined in STEP TWO by
 9 the amount determined in STEP FOUR.

10 STEP SIX: Add the amount determined under STEP TWO to the
 11 amount determined under subsection (c).

12 STEP SEVEN: Determine the greater of the amount determined
 13 under STEP FIVE or the amount determined under STEP SIX.

14 STEP EIGHT: Subtract the amount determined under STEP FIVE
 15 of subsection (e) from the amount determined under STEP
 16 SEVEN of this subsection.

17 (c) If a civil taxing unit in the immediately preceding calendar year
 18 provided an area outside its boundaries with services on a contractual
 19 basis and in the ensuing calendar year that area has been annexed by the
 20 civil taxing unit, the amount to be entered under STEP SIX of
 21 subsection (a) or STEP SIX of subsection (b), as the case may be,
 22 equals the amount paid by the annexed area during the immediately
 23 preceding calendar year for services that the civil taxing unit must
 24 provide to that area during the ensuing calendar year as a result of the
 25 annexation. In all other cases, the amount to be entered under STEP
 26 SIX of subsection (a) or STEP SIX of subsection (b), as the case may
 27 be, equals zero (0).

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

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

37 STEP TWO: For the determination year, the amount to be used as
 38 the STEP TWO amount is the amount determined in subsection
 39 (f) for the civil taxing unit. For each year following the
 40 determination year the STEP TWO amount is the lesser of:

41 (A) the amount determined in STEP ONE; or

42 (B) the amount determined in subsection (f) for the civil taxing
 43 unit.

44 STEP THREE: Determine the greater of:

45 (A) zero (0); or

46 (B) the civil taxing unit's certified share for the ensuing

- 1 calendar year minus the greater of:
- 2 (i) the civil taxing unit's certified share for the calendar year
- 3 that immediately precedes the ensuing calendar year; or
- 4 (ii) the civil taxing unit's base year certified share.
- 5 STEP FOUR: Determine the greater of:
- 6 (A) zero (0); or
- 7 (B) the amount determined in STEP TWO minus the amount
- 8 determined in STEP THREE.
- 9 Add the amount determined in STEP FOUR to the amount determined
- 10 in subsection (e), STEP THREE, as provided in subsection (e), STEP
- 11 FOUR.
- 12 (e) For each civil taxing unit, the amount to be subtracted under
- 13 subsection (b), STEP EIGHT, is determined using the following
- 14 formula:
- 15 STEP ONE: Determine the lesser of the civil taxing unit's base
- 16 year certified share for the ensuing calendar year, as determined
- 17 under section 5 of this chapter, or the civil taxing unit's certified
- 18 share for the ensuing calendar year.
- 19 STEP TWO: Determine the greater of:
- 20 (A) zero (0); or
- 21 (B) the remainder of:
- 22 (i) the amount of federal revenue sharing money that was
- 23 received by the civil taxing unit in 1985; minus
- 24 (ii) the amount of federal revenue sharing money that will be
- 25 received by the civil taxing unit in the year preceding the
- 26 ensuing calendar year.
- 27 STEP THREE: Determine the lesser of:
- 28 (A) the amount determined in STEP TWO; or
- 29 (B) the amount determined in subsection (f) for the civil taxing
- 30 unit.
- 31 STEP FOUR: Add the amount determined in subsection (d), STEP
- 32 FOUR, to the amount determined in STEP THREE.
- 33 STEP FIVE: Subtract the amount determined in STEP FOUR from
- 34 the amount determined in STEP ONE.
- 35 (f) As used in this section, a taxing unit's "determination year" means
- 36 the latest of:
- 37 (1) calendar year 1987, if the taxing unit is treated as being located
- 38 in an adopting county for calendar year 1987 under section 4 of
- 39 this chapter;
- 40 (2) the taxing unit's base year, as defined in section 5 of this
- 41 chapter, if the taxing unit is treated as not being located in an
- 42 adopting county for calendar year 1987 under section 4 of this
- 43 chapter; or
- 44 (3) the ensuing calendar year following the first year that the
- 45 taxing unit is located in a county that has a county adjusted gross
- 46 income tax rate of more than one-half percent (0.5%) on July 1 of

1 that year.
 2 The amount to be used in subsections (d) and (e) for a taxing unit
 3 depends upon the taxing unit's certified share for the ensuing calendar
 4 year, the taxing unit's determination year, and the county adjusted gross
 5 income tax rate for resident county taxpayers (as defined in
 6 IC 6-3.5-1.1-1) that is in effect in the taxing unit's county on July 1 of
 7 the year preceding the ensuing calendar year. For the determination year
 8 and the ensuing calendar years following the taxing unit's determination
 9 year, the amount is the taxing unit's certified share for the ensuing
 10 calendar year multiplied by the appropriate factor prescribed in the
 11 following table:

12			COUNTIES WITH A TAX RATE OF 1/2%		
			13 Subsection (e)		
14	Year		Factor		
15	For the determination year and each ensuing				
16	calendar year following the determination year 0				
17			COUNTIES WITH A TAX RATE OF 3/4%		
			18 Subsection (e)		
19	Year		Factor		
20	For the determination year and each ensuing				
21	calendar year following the determination year 1/2				
22			COUNTIES WITH A TAX RATE OF 1.0%		
			23 Subsection (d)	Subsection (e)	
24	Year		Factor	Factor	
25	For the determination year 1/6 1/3				
26	For the ensuing calendar year				
27	following the determination year 1/4 1/3				
28	For the ensuing calendar year following the determination year by two				
29	(2) years 1/3 1/3".				

30 Page 34, delete lines 1 through 18.
 31 Page 42, delete lines 37 through 42, begin a new paragraph and
 32 insert:

33 "SECTION 25. IC 6-1.1-18.6-2, AS AMENDED BY P.L.273-1999,
 34 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 UPON PASSAGE]: Sec. 2. A county may not impose a county family
 36 and children property tax levy for an ensuing calendar year that exceeds
 37 the **result of:**

- 38 **(1) the product of:**
 39 ~~(+)~~ **(A)** the assessed value growth quotient determined under
 40 IC 6-1.1-18.5-2 for the county for the ensuing calendar year;
 41 multiplied by
 42 **(B)** the ~~maximum~~ county family and children property tax levy
 43 that the county ~~could have~~ imposed for the calendar year
 44 immediately preceding the ensuing calendar year under the
 45 limitations set by this section; **plus**

1 **(2) the difference between:**

2 **(A) the growth in the county's maximum family and**
 3 **children property tax levy during the five (5) preceding**
 4 **calendar years; minus**

5 **(B) the growth in the county's family and children**
 6 **property tax levy during the five (5) preceding calendar**
 7 **years.**

8 SECTION 26. IC 6-1.1-18.6-2.2, AS ADDED BY P.L.224-2003,
 9 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2004]: Sec. 2.2. A county may not impose a county children's
 11 psychiatric residential treatment services property tax levy for an
 12 ensuing calendar year that exceeds the **result of:**

13 **(1) the product of:**

14 ~~(1)~~ **(A) the assessed value growth quotient determined under**
 15 IC 6-1.1-18.5-2 for the county for the ensuing calendar year;
 16 multiplied by

17 ~~(2)~~ **(B) the ~~maximum~~ county children's psychiatric residential**
 18 **treatment services property tax levy that the county ~~could have~~**
 19 **imposed for the calendar year immediately preceding the**
 20 **ensuing calendar year under the limitations set by this section;**
 21 **plus**

22 **(2) the difference between:**

23 **(A) the growth in the county's maximum psychiatric**
 24 **residential treatment services property tax levy during the**
 25 **five (5) preceding calendar years; minus**

26 **(B) the growth in the county's psychiatric residential**
 27 **treatment services property tax levy during the five (5)**
 28 **preceding calendar years."**

29 Page 43, delete lines 1 through 20.

30 Page 59, between lines 22 and 23, begin a new paragraph and insert:

31 "SECTION 29. IC 6-1.1-21-2.5 IS ADDED TO THE INDIANA
 32 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 33 UPON PASSAGE]: **Sec. 2.5. As used in this chapter, "ineligible**
 34 **property tax replacement excess" means the amount of the ad**
 35 **valorem property tax levy of each civil taxing unit in the county**
 36 **for a particular calendar year that results from calculations under**
 37 **the following:**

38 **(1) IC 6-1.1-18.5-3(a) STEP TWO (2) or IC 6-1.1-18.5-3(b)**
 39 **STEP TWO (2).**

40 **(2) IC 6-1.1-18.6-2(2).**

41 **(3) IC 6-1.1-18.6-2.2(2).**

42 SECTION 30. IC 6-1.1-21-3, AS AMENDED BY P.L.192-2002(ss),
 43 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 44 JULY 1, 2004]: Sec. 3. (a) The department, with the assistance of the

1 auditor of state and the department of local government finance, shall
 2 determine an amount equal to the eligible property tax replacement
 3 amount **minus the county's ineligible property tax replacement**
 4 **excess**, which is the estimated property tax replacement.

5 (b) The department of local government finance shall certify to the
 6 department the amount of homestead credits provided under
 7 IC 6-1.1-20.9 which are allowed by the county for the particular
 8 calendar year.

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

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

20 STEP TWO: Divide:

- 21 (A) that part of the estimated property tax replacement amount
- 22 attributable to the taxing district; by
- 23 (B) the STEP ONE sum.

24 STEP THREE: Multiply:

- 25 (A) the STEP TWO quotient; times
- 26 (B) the taxes levied in the taxing district that are allocated to a
- 27 special fund under IC 6-1.1-39-5.

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

31 SECTION 31. IC 6-1.1-21-4, AS AMENDED BY P.L.245-2003,
 32 SECTION 19, AND AS AMENDED BY P.L.264-2003, SECTION 12,
 33 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE JULY 1, 2004]: Sec. 4. (a) Each year the department shall
 35 allocate from the property tax replacement fund an amount equal to the
 36 sum of:

- 37 (1) each county's total eligible property tax replacement amount
- 38 for that year **minus the county's total ineligible property tax**
- 39 **replacement excess**; 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.

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

28 (c) On or before December 31 of each year or as soon thereafter as
29 possible, the department shall make a final determination of the amount
30 which should be distributed from the property tax replacement fund to
31 each county for that calendar year. This determination shall be known
32 as the final determination of distribution. The department shall distribute
33 to the county treasurer or receive back from the county treasurer any
34 deficit or excess, as the case may be, between the sum of the
35 distributions made for that calendar year based on the estimated
36 distribution and the final determination of distribution. The final
37 determination of distribution shall be based on:

38 (1) the auditor's abstract filed with the auditor of state, adjusted
39 for postabstract adjustments included in the December settlement
40 sheet for the year; and

41 (2) such additional information as the department may require.

42 **The final distribution must exclude ineligible property tax**
43 **replacement excess amounts for the county.**

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 118, delete lines 5 through 7, begin a new paragraph and insert:

21 "SECTION 73. [EFFECTIVE UPON PASSAGE] **IC 6-1.1-21-2.5,**
22 **as added by this act, and IC 6-1.1-21-3 and IC 6-1.1-21-4, as**
23 **amended by this act, apply only to property taxes first due and**
24 **payable after December 31, 2003, for assessment dates after**
25 **February 28, 2003."**

26 Renumber all SECTIONS consecutively.

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

Representative Weinzapfel